

EUROPEAN NEWS

Bonn takes measure of Carter's new team



Chancellor Helmut Schmidt (left) and Foreign Minister Hans Dietrich Genscher... looking for firmer leadership from Washington.

BY OUR BONN STAFF

THE WEST GERMAN Foreign Minister, Herr Hans Dietrich Genscher, today begins in Washington the first high-level meeting between the two Governments since President Carter reshuffled his Administration. He will discuss in detail military security and the Middle East situation, where both Bonn and Washington face Israeli accusations of a growing inclination towards the Arab cause. Further, he will seek to judge whether with the new U.S. team in office, Bonn can expect a clearer policy line and more decisive leadership from Washington than it feels it has enjoyed in the past. Besides meeting President Carter, Mr. Cyrus Vance, the Secretary of State, Mr. Zbigniew Brzezinski, security affairs adviser, and Mr. Harold Brown, the Defence Secretary, Herr

Genscher will also have talks with Dr. Henry Kissinger and the former Secretary of State. One topic likely to be raised with all these is the prospects for ratification by Congress of the SALT II accord, upon which, Bonn believes, depends progress on so many other key issues of East-West relations. These include the vital problem (for the Europeans) of Soviet intermediate range nuclear missile development, the force reduction talks in Vienna and the follow-up conference on security and co-operation in Europe, supposed to be held in Madrid next year. Bonn has now become rather more confident that SALT will be ratified. Part of this confidence evidently stems from talks held last month in California by Chancellor Helmut Schmidt and a series of non-Administration figures—includ-

ing Dr. Kissinger and General Alexander Haig, the former NATO supreme commander. While both Dr. Kissinger and General Haig have since voiced their reservations about SALT II, it is felt here that they did not do in such terms as to have raised the spectre of non-ratification and attempted re-negotiation. Herr Genscher will be reporting to Mr. Vance on the results of his recent extensive tour of Arab countries—a tour he is shortly to continue with trips to Syria, Lebanon, Jordan and Egypt. These visits have coincided with contacts between members of the West German ruling parties with the Palestinian leader, Yassir Arafat. The overall impact has been one of increased friction between West Germany and Israel.

Closer scrutiny of Euromarkets sought

BY JONATHAN CARR IN BONN

THE WEST GERMANS have long been among the leaders in the drive for closer official scrutiny of the operation of the Euromarkets. At first sight this may seem odd, coming from those who usually express faith in free enterprise and trade and in the efficiency of market forces. However, the latest Bundesbank report indicates some of the reasons for German concern, in particular the way in which Euromarket operations can complicate control over domestic money supply and inflation. This is a worry which the Germans share with the Americans in particular. Although U.S. authorities have supervisory powers over some aspects of Euromarket operations which their German colleagues do not possess, so far. The Bundesbank has drawn together figures showing the movements of capital between West Germany and other members of the European Economic Community (and so including the key Euroarea centres of Belgium, Luxembourg and Britain) between the start of 1973 and the end of last year. This has been a period of sharp growth in the Euromarket as a whole (from an estimated \$109bn to \$480bn on a net basis) and, naturally, in the Euromarket activities of German banks and their subsidiaries abroad. The figures show a reversal in the overall trend of capital movements between the periods 1973-75 and 1976-78. Whereas in the first three years West Germany was a net capital exporter to the tune of DM 11.6bn, in the next three years it was a net importer of no less than

DM 21.7bn. The main component of this swing was the capital transactions of the banks, which exported a net DM 19bn in short- and long-term funds in 1973-75, but drew in almost DM 14bn net in 1976-78. Of this latter net, almost DM 12bn was of short-term funds, and 90 per cent of that came from Euromarket centres. On the face of it the capital transactions other than those of banks (for example direct investment and borrowing in other Community countries by German enterprises) do not show a similar swing. They simply rise from a net import of DM 7.9bn in 1973-75 to one of DM 7.9bn in 1976-78. However, a breakdown of these figures shows that the amount of short-term financial credit taken up in the second three-year period (DM 9.2bn) was nearly three times greater than that in the first period. Again, almost all of this came from the Euromarket. The conclusion is that German companies in particular saw they could obtain finance abroad on more reasonable terms than generally they could at home, and took advantage of the fact. This would appear to be all right for the companies and the banks, but not necessarily so either for the Bundesbank or for the Bonn Government. It is clear that such large capital inflows have sometimes seriously upset the efforts of German authorities to control the increase in domestic money supply. This is not only a financial but also an important political factor in a country which has lasting memories of hyper-inflation and which re-

mains more sensitive than others to the increase in prices. It has sometimes been argued that in the longer term the capital inflows will be counter-balanced by outflows. But the Bundesbank's experience has been that once domestic money subsidiaries of German banks in Luxembourg, rather than from business generated by the branches of German banks in London. For example, while these subsidiaries increased their credit claims on German firms and private customers by

standable. The Germans believe that the sharp growth of the Euromarkets is not simply to be explained by basic factors such as the U.S. current account deficit and the need to appropriate surpluses of the Organisation of Petroleum Exporting Countries. Also important, it is felt, is the tough international competition on these markets, permitting only small margins and thus tempting banks to boost earnings through a constant increase in credit volume. The fear is that a bank could be tempted into serious risks which it could never entertain under domestic supervision. The failure of a subsidiary could reflect on its parent and, in the worst circumstances, bring a reaction of vanishing confidence. It is fair to note that this danger is recognised by responsible German banks and appropriate steps taken to guard against it. Nonetheless, the German financial authorities will clearly not rest until they gain a clearer insight into the operation of the Euromarket in general and the activities in Luxembourg in particular. A so-called "gentleman's agreement" between supervisory authorities and German banks involved in Luxembourg is one step in that direction. But it also seems highly likely that the Government will seek to introduce legislation under which the balance-sheets of foreign subsidiaries of German banks will have to be consolidated with those of the parents. Until then, the authorities seem bound to watch the growth of Euromarket operations and their impact on domestic German monetary policy with some suspicion and concern.

Tourist numbers tumble in Spain

By Report Graham in Madrid THE NUMBER of tourists visiting Spain during the peak summer season has dropped sharply. Preliminary figures for July show 1.15m fewer tourists than in July last year. This is a decline of 17 per cent, and confirms the tourism industry's fear that summer business had fallen from the previous year. Nevertheless, despite tourism having done well, and the overall number of tourists in the first seven months of the year is up by 3.8 per cent, to 21.39m. The latest estimates of net tourist receipts are up from \$4.9bn to \$6.3bn. Most of the drop appears to have been along the Costa Brava. Hotel occupancy there is usually around 95 per cent, but there are reports that this has fallen as low as 70 per cent. The drop also reflects the fact that fewer Spaniards are taking holidays this year. The fall coincides with the July bombing campaign against Mediterranean resorts by the Basque separatists, but this is thought unlikely to have been the principal cause. Most commentators give this year's sharp increase in hotel prices as the prime reason. Last autumn, the Tourism Ministry removed price controls for hotels. As a result, prices have risen between 25 per cent and 40 per cent for the peak season. Several tour operators dealing with Spain warned last autumn that higher prices could be justified only if the service improved. However, little has been done, and some business has gone to Tunisia and Yugoslavia. One West German tour operator providing substantial business to the Canaries threatened to send no clients unless a 30 per cent price increase was reduced, which it eventually was. Tourists have also been put off Spain by industrial disputes in the hotels. The Costa del Sol was seriously hit by strikes at Easter. A series of disasters in Spain has also exposed poor control of safety. The latest being this week's forest fire at Lloret del Mar in which 22 people died. Reuter adds: Gunmen believed to be Basque guerrillas killed a policeman and wounded two others in a machine-gun attack on a Gibraltar jeep at Bilbao yesterday. In Madrid, the Government yesterday ordered strict security checks in public places. Two guards will be posted at each Madrid Metro entrance to check papers, left luggage or freight will be checked electronically or manually. Hotels will have to check their guests' luggage, and security measures have also been ordered for department stores, museums, cinemas, public markets and restaurants.

Consumer prices in OECD rise at 11.8% yearly rate

BY DAVID WHITE IN PARIS

CONSUMER PRICES in the main Western countries rose at an annual rate of 11.8 per cent during the first half of this year, according to the Organisation for Economic Co-operation and Development (OECD). This compares with an average inflation rate of 7.9 per cent last year. Leaving out food prices, which have risen more slowly in the past few months, the organisation's figures show a sharp acceleration in the annual rate from 9 per cent to more than 13.5 per cent between the first and second quarters of this year. The OECD says this increase, caused mainly by higher oil prices, may be more representative of current trends. The index for the OECD's 24 members went up by 0.9 per cent in June, after a 1 per cent increase in May and 1.1 per cent in April. Compared with June last year the overall rise was 9.4 per cent. The figures are not seasonally adjusted. The worst sufferer was Turkey with an inflation rate of 52.3 per cent over 12 months, followed by Iceland with 39.1 per cent. The lowest increase since mid-1978 was in Austria—3.2 per cent. Switzerland—the best performer in 1978 with inflation of only 1.1 per cent—showed a 4.1 per cent increase in the June-to-June period. Its annual rate calculated on the basis of the first half-year soared to 8.3 per cent. Among EEC rates during the half-year, the UK's 15.7 per cent came a narrow second highest to Italy's 13.8 per cent, the latter calculated on the basis of five months. The EEC average was 10.7 per cent.

Gloomy Danish view of payments outlook

BY HILARY BARNES IN COPENHAGEN

DEMARC'S CURRENT balance of payments deficit is likely to increase from Dkr 7.7bn (€833m) in 1978 to about Dkr 12bn (€948m) this year, and next, according to Mr. Knud Heinesen, the Finance Minister. A deficit of this size, approximately equal to 4 per cent of last year's gross domestic product, was "extremely problematic," he said. "We can't live with a deficit of this size in coming years. The interest burden on our foreign debt and increases in the debt are already limiting the flexibility of our economic policy and further indebtedness could cause us problems with foreign borrowing in the future," he said. The country's net foreign debt is now in the region of Dkr 65bn (€535bn), about 27 per cent of gross domestic product last year. "We are such a rich country that it is unreasonable for us to go on increasing our debt at the rate we have 'gone in the past,'" said Mr. Heinesen. The main objective was to bring about an improvement in export competitiveness, though he did not exclude further restrictions on domestic demand. However, with unemployment running at about 7 per cent on average this year, and private consumption likely to fall in the second half as a result of increases in indirect taxes, further demand restraint measures are not at the forefront of Mr. Heinesen's mind. Among the Government's preoccupations after the summer holidays will be ways of preventing the oil-price increases from being passed on in wage rises, as a result of indexation. Wages are expected to go up by rather more than 2 per cent in September and over 3 per cent next March as a result of indexation. Pension and social security increases, where the indexation is 100 per cent, will increase by almost double these rates. Mr. Heinesen said that the oil price increases of June will have their first major impact on demand next year. At the moment, exports are being buoyed up by expansion in Sweden and West Germany. But next year the Government's economic experts expect business investment to weaken and the public sector growth to slow.



Mr. Knud Heinesen

Oslo again cuts bank liquidity

By Our Oslo Correspondent IN ANOTHER attempt to curb bank lending, the Bank of Norway is halving the amount which savings and commercial banks may borrow from it automatically—the so-called "A" borrowing facility. In addition, six banks will have this facility suspended completely for the time being, because they have not been strict enough in holding down loans to finance consumer spending. Once a bank has exhausted its "A" borrowing facility, it has to apply for a "B" (conditional) loan, which is given only on condition that the borrowing bank keeps its lending under a fixed ceiling for an agreed period. The new regulation, to take effect from September 1, will lower bank liquidity by Nkr 900m (€75.4m). It follows a Bank of Norway recommendation that the primary reserve requirement for savings banks should be raised from 3 per cent to 6 per cent.

Forte to spend £80m on European hotels

BY ROBERT MAUTHNER IN PARIS

SIR CHARLES FORTE, chairman of the British hotel and catering group Trust House Forte, said in a newspaper interview here yesterday that his company had set aside £80m to buy new hotels in France and elsewhere. Earlier this week Trust House

Forte had placed advertisements in the French Press categorically denying that it was intending to sell any of its establishments in France, which include the Plaza-Athenee, George V and le Tremolle hotels in Paris. Rumour that the prestigious Plaza-Athenee was for sale to an Arab group had spread like wildfire through the French

capital, following news of the dismissal of its managing director, M. Paul Bougenaux, who had also managed la Tremolle. Articles in various French newspapers subsequently suggested that M. Bougenaux had been sacked because of the system of worker-participation, which he had introduced in his

hotel and which Trust House Forte feared would spread to the group's hotels in Britain. In his interview with the Paris evening paper Le Monde, Sir Charles Forte vigorously denied that this was the reason for M. Bougenaux's dismissal, approved at a meeting of the board of Trust House Forte's French subsidiary GHA, on Tuesday. Sir Charles said that he was strongly in favour of worker-participation in his hotels, which he had accepted as long ago as 1968 and which was working very satisfactorily at the neighbouring George V establishment. M. Bougenaux had preferred to work for a competing hotel group, which included the Dorchester in London, Sir Charles said. The former manager of the Plaza-Athenee had broken his word by orchestrating a press campaign, he added. In return for a large indemnity, M. Bougenaux had undertaken not to publicise the affair until October 31, the date originally fixed for his departure. Since he had not kept to this agreement his dismissal would take effect straight away.

Italy debt abroad up £1.2bn

By Paul Bets in Rome

THE NET foreign indebtedness of Italian banks increased by some £2,200bn (£1.2bn) in the first half of the year. The banking system's net foreign indebtedness at the end of June totalled £8,085bn (£4.4bn) compared with £5,845bn (£3.21bn) at the end of last year. This reflects in part the high liquidity and low interest rates of the Eurodollar market and in part the pressures on Italian commercial banks to turn to the international market because of domestic credit expansion ceilings. Indeed, Italian monetary authorities have encouraged the banking system, favoured by the stability of the Italian currency, to turn to the international market. At the same time, provisional figures released yesterday indicated a 5.5 per cent increase in industrial production in the first half of the year compared with the same period last year. However, although there was a substantial recovery in industrial production at the end of last year, the beginning of this, output suffered in May and June as a result of labour unrest. While output increased on a year-on-year basis by 7.9 per cent during the first quarter, it rose by only 0.7 per cent in the first five months of this year and by 5.5 per cent in the first half. According to the national statistics bureau, ISTAT, the level with those of June, 1978. The recent wave of strikes hit in particular the mechanical and chemical sectors whose output declined in June by more than 6 per cent compared with the same month last year. However, output in all other industrial sectors increased by an average of 3 per cent.



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When you've once known a reasonable standard and have saved for your retirement, what can you do when inflation makes a mockery of all your careful planning? You can turn to the Distressed Gentlefolk's Aid Association. To begin with, the DGAA will understand. Although they have 13 Residential and Nursing Homes, they know that people want to stay in their own homes for as long as they can cope, keeping their friends and the routs they have put down over the years. So, the DGAA helps with allowances. They send clothes parcels. They remember Birthdays and Christmas. They help with a little extra when a crisis upsets a tiny budget. Please help the DGAA with a donation. And please, do remember the DGAA when making out your Will.

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

Vicarage Gate House, Vicarage Gate, Kensington, London W8 4AG. Help them grow old with dignity.

Advertisement for Langs Supreme Scotch Whisky. It features a bottle of whisky and a glass. The text reads: 'Simply an outstanding whisky. LANGS SUPREME For your pleasure'. At the bottom, there is a logo with the Arabic text 'هكذا من الأصيل'.

Top fund raiser to aid Connally

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

THE PRESIDENTIAL campaign of Mr. John Connally, the former Treasury Secretary and Governor of Texas, has acquired the services of one of the most adept fund raisers in the political business in the United States.

He is Mr. Richard Viguier, financial darling of the New Right Movement, who has in recent years built up a formidable computerised direct mail operation able to raise considerable amounts of money in a short time.

For much of the last 18 months, Mr. Viguier has been a prime architect of the budding campaign of another young neo-conservative, Congressman Philip Crane from Illinois. But Mr. Crane's organisation has been beset with internal disagreements for months now and it is

widely expected that he will make without trace.

In making his switch, Mr. Viguier said that he had concluded that Mr. Connally had both the best chance of winning the Republican nomination next year and going on to beat whoever the Democrats fielded in November. But he stressed that he was working for Mr. Connally as a volunteer and had not entered into contractual relationship.

If he does, Mr. Connally will find it expensive. Typically, Mr. Viguier charges about 40 per cent of the money raised as a fee for his services. In the case of Mr. Crane, an unknown national, when he began his presidential bid and still suffering from invisibility, the price was even higher, according to Mr.

Viguier, it cost about \$2.3m (embracing his fee and other expenses) to generate some \$2.8m in total campaign contributions.

For all his lustre (Time magazine two weeks ago enshrined him as one of the "50 faces for America's future"), Mr. Viguier has yet to achieve distinction in a national political campaign. He raised money for George Wallace, the maverick Democrat, in his abortive effort in 1976 and has previously been loosely associated with Mr. Connally.

His expertise has lain more in fundraising for special issues (anti-abortion, anti-Panama Canal, etc.) and in generally acting as a behind-the-scenes whiz kid for conservative causes. His success record in such issues has been

mixed.

Nevertheless, even with the advent of part federal financing for presidential elections, cash remains an important ingredient for any candidate in the marathon race for the White House, particularly with those runners, like Mr. Connally, Mr. Crane and a handful of other Republicans, who have declared their intentions very early.

Mr. Connally is, of course, independently wealthy and enjoys close ties, especially in Texas, to those who have traditionally underwritten candidates. But the limitations now in force on the amount individuals may contribute have underscored the need for the financial net to be tawled as widely as possible—which happens to be Mr. Viguier's particular talent.



Governor John Connally... backed by the darling of the New Right Movement in his campaign for the nomination

NEW ZEALAND'S TROUBLED ECONOMY

Twin problems of inflation and the brain drain

BY KEITH OVENDEN IN WELLINGTON

ANXIETIES ABOUT the underlying weakness of the economy have come to dominate New Zealand politics in recent months.

On July 24, Mr. Robert Muldoon, the Prime Minister, whose National Party was re-elected to a further three-year term of office last November, intervened to make a General Wage increase of 4.5 per cent and to abolish the Arbitration Court. The court, set up by the Government about two years ago to make wages orders for the workforce generally was about to start hearings on a proposal by the Federation of Labour for a minimum wage that was geared to family living costs.

These anxieties about another round of inflation come at a time when there are also anxieties about emigration figures.

In the year to the end of March 1978 the net loss of people through migration was 49,200 (permanent or long-term departures), of whom 28,332 described themselves as active in the labour force. What particularly worries the Government is that these leaving include some of the best brains in the country. Most are going to Australia.

and June quarters of 1980, to give a July year annual figure of about 15 in 17 per cent.

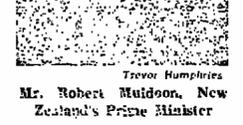
The employers insist that they have no desire to see real incomes fall during this latest burst of inflationary pressure and are anxious to see the Government reduce taxes as a means of protecting the purchasing power of workers. They are bringing pressure to bear on the Government to this end.

For policy planners and the Government, the most intractable problem remains the deficit on overseas trade. Here the repeated impact of oil prices is damaging and demoralising, as are the restrictions on imports of agricultural products imposed by the developed world.

The Government has sought to set in train a partial restructuring of the economy, which will accelerate the trend away from dependence on agricultural products by rewarding manufacturers who are active in other types of export market.

It has also introduced a number of measures to limit the consumption of liquid fuel, although whether these can be said to be successful is open to doubt.

When Mr. Muldoon returns from the Commonwealth conference in Lusaka, his first political priority will be a by-election in Christchurch, seen as a safe labour stronghold and the National Party's objective is to stave off the possibility of being humiliated into third position by the Social Credit Political League.



Mr. Robert Muldoon, New Zealand's Prime Minister

Certainly the Government's popularity has slumped and there are repeated whisperings inside the National Party about the need for a new leader in time for the next election, in 1981.

Cancer risk found in Scotch whisky brands

BY DAVID LASCELLES IN NEW YORK

SCOTCH WHISKY contains cancer-causing substances, but in small quantities, whose effect on human beings has not yet been determined, according to a report published by the National Science Foundation in Washington.

In a study of six leading brands of Scotch sponsored by the NSF, scientists in Massachusetts found that six had traces of nitrosamines, a substance that has caused cancer in laboratory mice. The brands were Chivas Regal, Black and White, J. and B. Ballantine's, Sandy Scot and Cutty Sark. The seventh, White Label, contained

no nitrosamines.

These Scotches had a level of nitrosamines ranging up to two parts per billion. It is still not known what effect this concentration would have on human beings. The only guide so far, according to the NSF, is evidence that ten parts in a billion induced cancer in mice when fed to them in their drinking water.

The NSF report was part of a broader investigation of the presence of nitrosamines in the human environment. These substances have already been identified in beer, bacon, processed meats and cosmetics. The Massa-

chusetts study showed, though, that they were not present in sherries, wines, liqueurs, brandies, gin and other distilled spirits.

The common ingredient of beer and whisky is barley. A spokesman for the Food and Drug Administration said that it appeared nitrosamines were formed during the barley-drying process.

The spokesman added that the Administration was concerned by the report and would be contacting the Scotch industry to see what can be done about reducing nitrosamine levels.

However, he said: "We do not know what effects nitrosamines have on human health. We are keeping a careful watch on the studies that are being made." Last year, the U.S. imported \$3.6m gallons of Scotch whisky, valued at nearly \$400m.

David Churchill adds: The UK drinks industry yesterday played down the report on the basis that it was not new and that steps had already been taken within the UK to remove the possible cause of the minute quantities of nitrosamine.

Woman set to win in Mississippi

By Our U.S. Editor

MRS. EVELYN GANDY has taken a big step towards becoming the first woman governor in the history of the state of Mississippi.

In the Democratic gubernatorial primary, Mrs. Gandy, currently the lieutenant governor, finished first of six candidates, but scored well under the necessary 50 per cent that would have assured her the nomination and a straight fight against a Republican in November. She thus faces a run-off against a former lieutenant governor, Mr. William Winter, on August 28.

Mrs. Gandy is a veteran of Democratic Party politics in Mississippi. Classically, Democrats have controlled state affairs, but last year a Republican, Mr. Thad Cochran, was elected to the U.S. Senate, suggesting that the November poll will be no formality for whoever wins the Democratic run-off later this month.

Mrs. Gandy's success to date is noteworthy: The deep south generally has been disinclined to elect women into major public offices and has been much more comfortable with male representation.

But it has become increasingly apparent that the wind of change which has so transformed the lot of blacks in the south may now also be enhancing the political fortunes of women.

Optimism at GM over avoiding a strike

BY JOHN WYLES IN NEW YORK

Notwithstanding a claim by a company spokesman that it is separated from the United Auto Workers by an "exceedingly wide chasm", General Motors is still, apparently optimistic that it can negotiate a new three-year pay and conditions contract without a strike this autumn.

According to the union, prospects for a peaceful settlement before the current contract expires on September 14 are slightly better than they might otherwise have been, following the company's statement of its position on health benefits costs on Tuesday.

All the big three car companies have been extremely concerned by soaring health costs

over the last few years. GM claims that since 1976 the cost of health insurance premiums paid for its employees has climbed 50 per cent to \$1.3m. Doing the last negotiations

in 1976, Ford Motor Company dug in over its insistence that the workers pay part of their medical premiums and eventually suffered a strike. One of the car companies has been on

strike in every bargaining round since 1964.

If there is a strike, GM is expected to be the target this year. But union negotiators have been cheered by the company's avoidance of a demand for shared insurance payments and its tabling instead of a number of proposals for "controlling benefit plan costs."

At the same time, GM is carrying through its earlier undertaking to make rising absenteeism an issue. The company claimed this week that absenteeism had risen 30 per cent to 3.8 per cent since 1976 and proposed linking time-off benefits to attendance. It also said that it wanted "more

bank credit, Chrysler is required to maintain working capital at a minimum of \$600m. Since working capital had fallen by the end of June to \$500m and the company's operating losses are continuing, it is thought possible that working capital may fall below this threshold.

Banks to advise Chrysler

BY OUR NEW YORK STAFF

IT IS REPORTED here that Chrysler Corporation might set up a special steering committee to advise the company if it becomes technically in default of its short-term loan agreements.

In return for \$750m of

bank credit, Chrysler is required to maintain working capital at a minimum of \$600m. Since working capital had fallen by the end of June to \$500m and the company's operating losses are continuing, it is thought possible that working capital may fall below this threshold.

Grumman settles union conspiracy suit out of court

BY OUR NEW YORK STAFF

GRUMMAN Aerospace Corporation has reached a \$10,000 out-of-court settlement with the Amalgamated Clothing and Textile Workers' Union. This removes the company as a defendant in a conspiracy suit launched by the union in its campaign for recognition by J. P. Stevens, the leading textile company.

A spokesman for Grumman confirmed yesterday that the company had made the settlement with the union, but he also affirmed that Grumman was not admitting "any unlawful acts."

Nevertheless, the company was acknowledging that two of its employees in Milledgeville, Georgia, had been involved in activities which are central to the union's case.

Last month the union filed a \$12m suit in a U.S. district court in Macon, Georgia, alleging conspiracy by J. P. Stevens, Grumman, and two smaller textile companies, Concord Fabric and Meadows Industries. The union charged that Stevens and the other companies tried to thwart union organising in Milledgeville by exchanging information obtained by illegal police surveillance, and with violating the civil rights of workers and union organisers from July 1976 until early this year.

Other defendants in the suit included Milledgeville's mayor, its police chief, a detective and the manager of the local Holiday Inn where union organisers stayed and held many of their

meetings.

All of these individuals have also made out of court settlements, reportedly involving payments to the union of between \$250 and \$1,000. Mr. Robert Rice, the mayor, and Mr. Charles Osborne, the police chief, have since made sworn depositions which have prompted the National Labour Relations Board (NLRB) to reopen sections of an unfair practices complaint filed against Stevens by the union. This was dismissed recently by an administrative law judge who said that the union had failed to prove animosity on the part of Stevens.

The NLRB's general counsel, Mr. John Irving, has said in a motion to re-open the record on the union's complaint that

"newly discovered evidence shows anti-union animus of widespread and flagrant proportions."

He was referring to admissions by Mr. Rice and Mr. Osborne that they had police detectives record the licence numbers of cars parked outside union meetings. They then processed these numbers through police computers to establish ownership and therefore to identify those who were attending.

The names were then distributed to companies in their area. The union claims that "spraying by the police was also conducted in Holiday Inn rooms adjoining those occupied by the union. Blacklists were compiled of those attending meetings and

then distributed to particular local companies to advise them of union sympathisers to their employ."

The union said "this surveillance took place with increasing frequency between 1976 and 1978, and declined after attendance at union meetings had dropped off so sharply that the mayor and area industries were certain they had succeeded in keeping the union out of Milledgeville."

The union claims that attendance declined because Stevens workers were fired and harassed because of their union activities. There was a general awareness that a history of sympathising with a union would make it virtually impossible to find any other work in the area, the union said.

Mortgage interest rates worry builders

BY DAVID LASCELLES IN NEW YORK

THE NUMBER of housing starts in the U.S. has become, like the consumer price index or the growth in the Gross National Product, an important indicator of the state of the economy. This is because it reflects a lot of things: the strength of the credit markets, the cost of land and materials, the state of the housing industry, family budgeting habits, even demographic trends.

So far this year, the number of housing starts has been running 15 to 20 per cent below last year's 1.96m, providing further evidence of the recession which most economists believe is under way, and there seems to be little relief in sight.

The National Association of Home Builders estimates that this year's final total will work out at 1.6m, of which 1.2m will be single family units and the rest multi-family units. For next year, it forecasts a further decline to about 1.5m of which 1.1m will be single family units.

Both these figures are well down on the 2.1m plus levels set early in the 1970s during the most recent major housing boom. (The last housing boom in 1977-78 did not quite match those levels.) However, they also suggest that the coming recession will not be as bad as 1974-75 when housing starts dropped below 1.5m and stayed below 1m in the depths of that winter.

The biggest single factor affecting housing is the cost of mortgage finance. According to

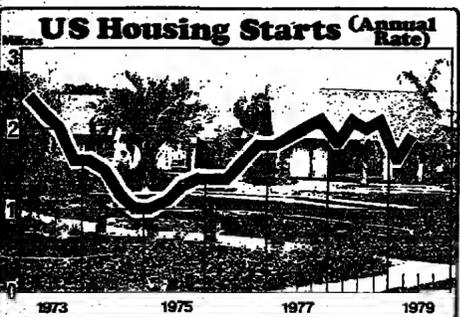
the latest report of the Federal Home Loan Bank Board, the average mortgage in early July carried an interest rate of 11.19 per cent, up 10 basis points on June, and up from 9.83 per cent a year earlier.

The point about these mortgages is that, unlike European mortgages, they are fixed rate. A homebuyer borrowing now will pay that rate for the life of his mortgage even if the market weakens. The high cost of mortgages can therefore be a big discouragement to buyers.

Though the economy's entry into recession is likely to bring down the cost of finance, the descent is not expected to be rapid, mainly because the country's high rate of inflation (currently running at over 13 per cent a year) is bound to keep up the cost of money.

A special feature of this particular cycle is the growing shortage of funds at the savings and loan institutions, the U.S. equivalent of the building societies. Recent changes in banking regulations have removed some of the competitive edge which the institutions had over commercial banks as regards the interest rates they may pay depositors. These have left them less well placed in the battle to raise funds.

In the New York area, for instance, the institutions now rarely advance mortgages of more than \$75,000, while commercial banks go well above that figure. Interest rate ceilings in a number of states have



also made it less attractive for local banks to make home loans.

This is bad news for the country's 100,000 private builders, many of whom run small, local operations and are living from hand to mouth. Any sharp downturn is bound to send many of them to the wall, and swell the ranks of the jobless, but this also presents problems for the big, nationwide builders.

U.S. Home Corporation, the country's largest, estimates that housing will be off 20 per cent this year, and that most of the drop will be in the second half. To counter this trend, the company has shifted its emphasis to building condominiums, or clusters of apartments for sale

as opposed to rent, which raises the density of housing and therefore lowers its price.

Mr. Guy Odum, the chairman, said this should position the company better for a recession, though he found it hard to predict what would happen next year. "It all depends on interest rates," he said.

Centex, a large homebuilder based in Dallas, also expects a fairly sharp downturn, though Mr. Frank Crossen, the company's chairman, recently told shareholders that this might not altogether be a bad thing since it would enable the company to "consolidate" its operations.

Kaufman and Broad, a builder which also has interests in Europe, argues that the bigger

companies are better placed to cope with the recession because of their greater financial muscle. But Mr. Eli Broad, chairman, comments: "Over the next six months, the greatest problem facing the U.S. housing industry will not be the cost of money, but its availability."

Mr. Odum, of U.S. Home, estimates that his company's costs are rising about 10 per cent a year, and that he can pass this rise on to the buyer. The average price of the 11,900 homes his company sold last year was \$52,800. In the first six months of this year, the average had risen to \$57,000.

However, with house prices soaring on the open market, the housebuilding industry is sensitive to charges that it is pushing up prices for all it is worth. U.S. Home estimates that housing is a victim rather than a cause of inflation, and that in real terms the cost of housing has declined against other measures of value, like silver. Mr. Odum also claims: "American homes are still a bargain, particularly if you compare them with Europe."

In the longer term, though, the housing industry believes its prospects are good. Once interest rates come down, the underlying demographic trend suggests strong demand. The key 25-34 age group is benefiting from the post-war baby boom, and this demographic wave should last well into the 1980s.

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We're InBank located in Rhode Island, and surrounded by deep water ports, a major commercial airport, main rail service and an excellent interstate highway network.

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MONTEDISON GROUP

FARMITALIA CARLO ERBA

HIGHLIGHTS FROM THE 1978 ANNUAL REPORT

The Annual General Meeting of Farmitalia Carlo Erba S.p.A. was held in Milan to adopt the Company's Accounts for the year ended 31st December 1978 which reflect a net profit of Lit. 6,048,000,000. After paying 5% to the Legal Reserve, a dividend of Lit. 90 per share or each of the Company's 44,400,000 ordinary and 6,250,000 preference shares was declared.

Carlo Erba S.p.A., which during 1978 has incorporated Farmitalia S.p.A. taking the name of Farmitalia Carlo Erba S.p.A., has now returned to profits after four years of losses. The overall profit earned amounted to Lit. 5,048 m. after tax of Lit. 3,430 m. and depreciation charges of Lit. 17,951 m. the latter being in 1977 of Lit. 15,774 m. Consolidated sales in the Farmitalia Carlo Erba Group reached over Lit. 375 bn. in the year under review, 53% of this figure being generated by the Group's foreign business. Sales revenues in the Parent Company alone rose by 7.8% over 1977 to more than Lit. 240 bn. Sales on the Italian domestic market were Lit. 145 bn., an increase of 4.2%, while exports rose by 15.7% to Lit. 85 bn. Intensive efforts continued to be devoted to research and development during the year, involving expenditure in the region of Lit. 19 bn. The book value of plant and equipment is Lit. 194 bn., while capital outlays during 1978 totalled Lit. 9 bn.

The merger has led to the formation of Italy's largest pharmaceutical concern, and one of the leading drug companies in world terms, with its own branches in over thirty different countries.

Results in the early months of the current year indicate a further improvement in the company's performance.

OVERSEAS NEWS

WORLD TRADE NEWS

Syria-Iraq crisis expected after Baghdad's execution of plotters

BY IHSAN HIJAZI IN BEIRUT

TWENTY-ONE Iraqis were executed in Baghdad yesterday after an emergency court had sentenced them to death for their role in a conspiracy against the three-week-old regime of President Saddam Hussein.

here that a crisis which has been developing between Iraq and Syria since the uncovering of the plot is about to come into the open.

According to the Beirut left-wing daily, As Safir, the Syrian-Iraqi feud will shatter the attempts at union if it is allowed to recur.

Mashhadi is reported to have been reprimanded by Saddam Hussein, who was then vice-chairman of the Revolutionary Council.

S. Africa to buy 12 Boeing airliners

By Bernard Simon in Johannesburg

THE SOUTH AFRICAN Government has authorised South African Airways to buy 12 Boeing 737 aircraft at a total cost of about \$22m.

New U.S. trade chief faces early Congressional test

BY DAVID BUCHAN IN WASHINGTON

MR. REUBIN ASKEW, the former Florida Governor, was yesterday strongly tipped as the new U.S. Special Trade Representative, replacing the redoubtable Mr. Robert Strauss.

Some senators have sharply criticised the Administration plan, which would regroup trade responsibilities under the White House/Trade Office and a revamped Commerce department.

The issue is sensitive politically because Administration had wanted to propose at the same time a trade pact with Peking in July that included a favoured nation tariff treatment for Chinese goods.

China's timid managers rebuked

BY JOHN HOFFMANN IN PEKING

SOME CHINESE officials still have misgivings about the nation's modernisation programme, an editorial in yesterday's issue of the newspaper Workers' Daily said.

Party's theoretical journal, Red Flag, says that part of the country's educated youth will be encouraged to go down to the countryside in the coming years.

separated from their families, forfeiting the city environment with which they were familiar and wasting the benefits of their education.

Sharp drop in aid from OPEC

By James Burton

AID FROM members of the Organisation of Petroleum Exporting Countries fell by about 35 per cent in 1978 from \$5.7bn to \$3.7bn, according to figures compiled by the Organisation for Economic Co-operation and Development, based on returns from OPEC.

Trucks for Greece

Stonefield Vehicles of Cumnock, Ayrshire, manufacturers of cross country vehicles, has won an initial order worth £2m from Greece for the supply of 150 vehicles and parts to be delivered within the next 12 months.

Lebanese patrol boats

Lebanon is to buy two patrol boats from Britain for about £m. The boats are to be used for anti-smuggling operations.

Cheap credit for Vietnam

VIETNAM is to enjoy preferential credit rates when drawing loans to finance intra-Comecon trade, according to Rynki Zagraniczne, the Polish foreign trade paper.

Saudis assured on hospital deal

BY JAMES BUCHAN IN JEDDAH

A BELGIAN hospital construction contract in Saudi Arabia, surrounded by allegations of large kickbacks and thrown into doubt by the bankruptcy of a leading member of the consortium, will be completed.

Dr. Yamani's unprecedented statement will be of considerable relief to Belgian officials who feared that the collapse of the consortium member, Euro-system Hospitalier, and the ensuing uncertainties could make it hard for Belgian companies to compete for Saudi public sector contracts.

complexes at the two hospital out of payments. Although M. Henri Simon the Belgian Foreign Minister said last month that Bruss would not step in to ease the financial difficulties, Belgian officials have said that the Government has been applying pressure for a solution on 8 and on Eurosystem's per cent of the project, the explosive concern of Poudrieres Reunies, Belgique, an affiliate of Socié Generale de Belgique.

New Pakistan plea for debt rescheduling

ISLAMABAD — Pakistan has asked a World Bank-led consortium to re-schedule debts of about \$850m, officials have disclosed.

Ayatollah Khomeini calls for an end to strikes

BY ANDREW WHITLEY IN TEHRAN

WITH INDUSTRIAL unrest spreading throughout post-revolution Iran, particularly in the public sector, Ayatollah Khomeini, the unofficial head of state, has appealed for an end to the strikes and sit-ins.

of housing, it is unlikely to be headed. The Government is known to be concerned about the economic disarray.

German buses to Israel

EGGED, the interurban Israeli bus company, has signed an agreement with Mercedes to supply 1,150 buses in the next two years.

Westwind demand up

Israeli Aircraft Industries is about to increase its output of the Westwind executive jet from 30 a year to 48 and may increase this further to 72 in view of current demand.

ASEA wins new order from Iran

By John Walker in Stockholm

ASEA, the Swedish heavy electrical engineering group, has won an order from the Isfahan Regional Power Company (IRPC) in Iran for the turnkey delivery of 18 substations.

Tokyo trade mission to test Mexican potential

BY WILLIAM CHISLETT IN MEXICO CITY

MR. MASUMI EZAKI, Japan's Minister for International Trade and Industry, arrives here on Friday for a five-day visit to discuss, among other matters, buying Mexican crude oil and establishing steel projects in Mexico.

200,000 b/d for export to Japan next year. The Mexican Ministry of National Patrimony and Industrial Development is nearing the completion of discussions with Sumitomo Steel and Kobe Steel to build a steel pipe mill and a casting and forging mill.

SRI LANKA'S RACIAL CONFLICTS

A hearing for Tamil grievances

BY MERVYN DE SILVA IN COLOMBO

SRI LANKA'S President Mr. Junius Jayawardene, anxious to defuse the country's explosive racial conflicts, has set up a commission to investigate the grievances of the Tamil minority.



President Jayawardene (right): defusing an explosive issue.

thought to be responsible for bank robberies and numerous political murders throughout the north of Sri Lanka. Fifteen policemen have been killed while investigating terrorist activity.

JAPAN-CHINA JOINT VENTURE MOOTED Electrical groups 'unenthusiastic'

BY RICHARD C. HANSON IN TOKYO

KONOSUKE MATSUSHITA, the 84-year-old founder of Matsushita Electric Industrial (MEI), is proposing that the 10 leading electric companies in Japan form a joint venture with China — an idea which occurred to him during a recent visit to Peking.

trying to drum up interest in the venture. The Japanese-Chinese company, under the draft, would be owned 50-50 by each side, with the Japanese dominating management, providing know-how, technology and equipment and getting 10 per cent of the profits.

would also provide the president of the joint venture. These details are expected to be discussed among the top executives of the companies being contacted later this month.

companies could ever agree among themselves on terms. There is also the question of whether such a monopolising venture would be acceptable to the Fair Trade Commission.

Former trade negotiator justifies concessions

TOKYO — Japan has made more concessions on trade in the past two years than the U.S. or the European Community, and is now as liberal toward imports as any other country in the world, according to Japan's former top trade negotiator.

head of the Japanese delegation to the Geneva talks, called the Tokyo Round of Multilateral Trade Negotiations because they began here.

particularly on the part of the EEC. "The EEC only found Japan two years ago. Until then they ignored us. Now they have found Japan is a growing market, they see they have a deficit with us," he said.

"It was caused to a great extent by inflation and partly because of the fall of the dollar," he said. "We cannot change that single-handedly."

هكذا من الأجرى

Petrol prices rocketing. £1.40 next week?

Right now you could be excused for thinking that the last thing the world needs is a new luxury car.

In which case, we invite you to examine the new Princess 1700HLS and 2000HLS.

They're every inch luxurious, from their sumptuous velour upholstery, rear passenger reading lights and twin-speaker radio, to their smooth, powerful 'O' Series engines and equally smooth Hydragas® suspension.

Yet they're surprisingly inexpensive to run. The Princess 2000HLS's exceptionally low urban fuel consumption - over 27mpg - makes it one of the most economical 2-litre saloon cars in town.

At a constant 56 mph you can cover nearly 38 miles on every precious gallon.

And the figures for the new Princess 1700HLS are even better. Not that the new Princesses are only frugal with fuel. They cost less to run than many cars, even before you start to run them.

Inexpensive spare parts mean low insurance premiums. And if your company provides you with a Princess 1700HLS, you'll find that it falls conveniently below the critical 1800cc break point for taxable benefits, thus incurring no more tax liability than a 1600cc car.

How can we sum up the new Princess 1700HLS and 2000HLS? Are they luxurious cars that are economical to run - or economical cars offering an unusual degree of luxury?

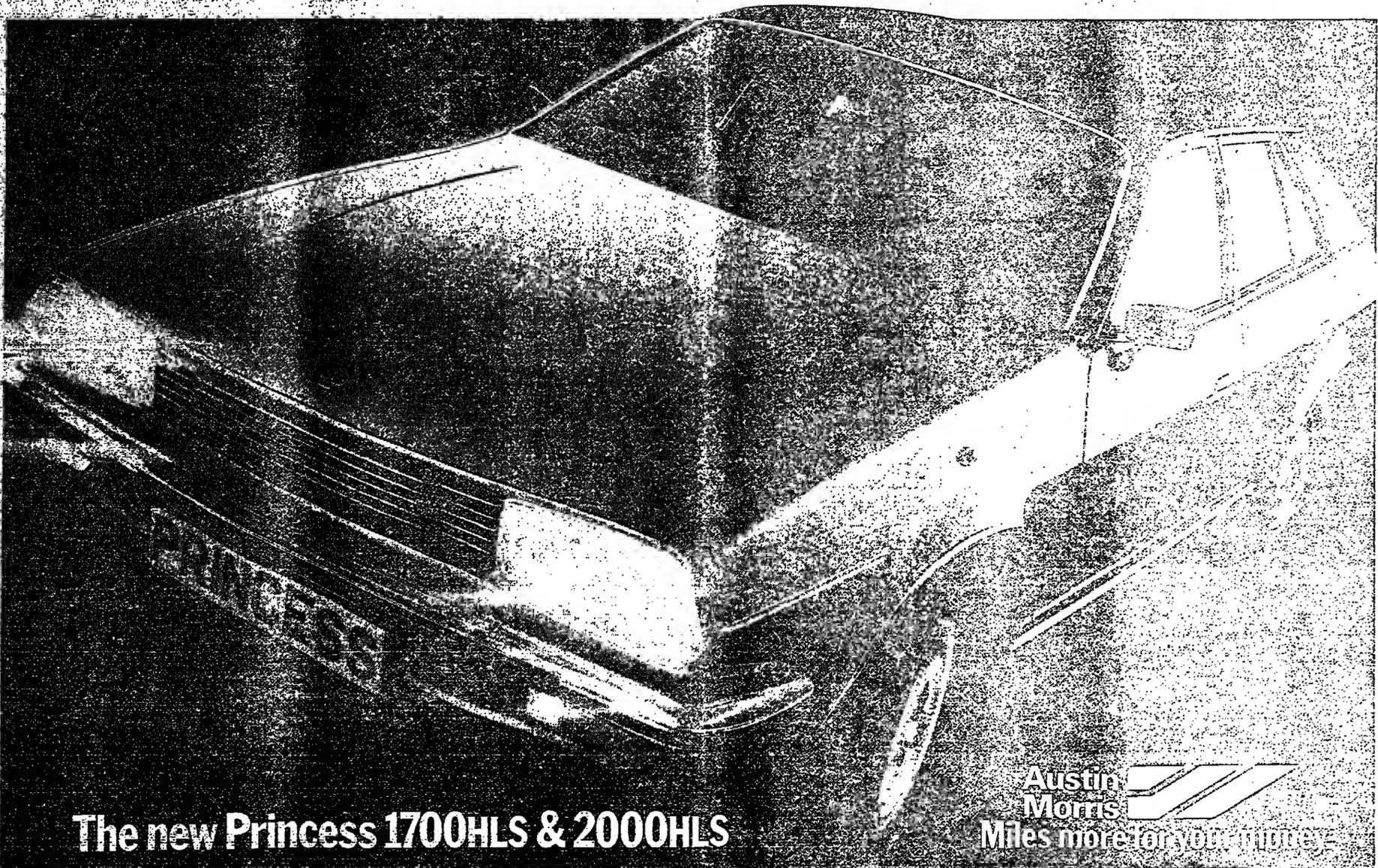
Either way, isn't it nice to know that you can still arrive in the style to which you're accustomed - without feeling guilty?

Official Department of Energy MPG Figures	Imperial MPG		
	Urban	56 mph	75 mph
Manual gearbox			
Princess 1700HLS	29.7	58.2	28.4
Princess 2000HLS	27.2	57.7	27.7

Metric equivalent: L/100km Princess 1700HLS Urban 32.3, 56 mph 16.1, 75 mph 35.0; Princess 2000HLS Urban 36.8, 56 mph 16.3, 75 mph 34.3

Hydragas is a registered trade mark.

There's never been a better time to launch this luxury car.



The new Princess 1700HLS & 2000HLS

Austin Morris Miles more for your money

UK NEWS

Howe warns of risks in ending wage discipline

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

SIR GEOFFREY HOWE, the Chancellor, yesterday warned trade unionists and employers that any attempt to overthrow monetary discipline must result in higher prices, more bankruptcies and rising unemployment.

Liverpool Cathedral wins design award

BY COLIN AMERY

LIVERPOOL'S 75-year-old Gothic-style Anglican Cathedral, which was finally completed last year, is one of four winners of design awards from the Royal Institute of British Architects.

More UK citizens

By Elaine Williams

A 4 PER CENT rise in the number of people acquiring citizenship of the UK and its colonies is revealed in the Home Office's latest figures.

Communications system orders worth £40m

By Our Defence Correspondent

ORDERS FOR communications equipment for UK naval vessels, worth about £40m, have been awarded by the Ministry of Defence to Marconi Communications Systems, Marconi Space and Defence Systems, and MEL Equipment Company.

High-speed train for export

BY LYNTON McLAIN

BRITISH RAIL has won its first export order for the 125 mph high-speed train.

Mr. Fowler, who was on a visit to British Rail Engineering, at Derby, where the trains are designed, said five trains had been ordered by the Government of New South Wales.

The trains will be built under licence in Australia and, although Mr. Fowler did not say how much the contract was worth, it is understood that each train costs British Rail £1.75m.

Component suppliers from the private sector in the UK are expected, however, to be involved in making at least some of the equipment for the order.

The high-speed diesel trains have been a considerable success for British Rail since their introduction on the South Wales route in the mid-1970s.

British Rail said 60 high-speed trains are now in service, another 35 are on order for use on the Eastern and Western regions, and British Rail would like another 21 sets for use on expanding the high-speed eastern Region services and on the North-East to South-West services.



British Rail's 125 mph train. Trevor Humphries

Electricity boards told of meter supply monopoly

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

AREA ELECTRICITY boards were urged by the Monopolies and Mergers Commission yesterday to reconsider their buying policies and ordering procedures for electricity supply meters.

The Commission has found that a monopoly involving two of the four main companies in the industry operated against the public interest in that prices were higher than necessary and competition reduced.

None of the other proven monopolies in the industry operated against the public interest, the commission concluded.

Electricity supply meters covered by the report are used for charging for the supply of electricity. They do not include meters for telecommunications service charges.

The report says that 1,154 meters were produced in 1977 by four main companies: Ferranti Instrumentation; GEC Measurements; Landis and Gyr; and Sanzamo Weston.

The monopoly that operated against the public interest involved meters supplied by GEC Measurements and Sanzamo Weston. They supply a quarter of the UK's meters, and, in report says, "in 1977 and 1978 they increased their published prices and hence the net prices charged, to an extent which amounted to so conducting their affairs as to restrict competition."

The commission recognised that the area boards' reluctance to resist manufacturers' prices was caused partly by fear of deterioration in quality, and partly by their ability to pass on increased costs to consumers.

It recommended that a price agreement between the four manufacturers, which since 1971 has led to their informing one another of price changes after customers have been informed, should be terminated.

The monopolies that existed but did not operate against the public interest were: in the UK market, a scale monopoly involving Landis and Gyr; and in the export market, a monopoly involving all four companies, as well as one involving GEC Measurements and Landis and Gyr.

Mr. John Nott, Trade Secretary, has accepted the commission's conclusions and intends to ask the Director General of Fair Trading to hold talks with companies concerned.

Electricity Supply Meters. Command 7629 (SD, £2.25).

U.S. airlines compete for London-Miami route

By Michael Dome, Aerospace Correspondent

A STRUGGLE is developing between two U.S. airlines for rights to fly the lucrative Miami-London air route.

The route is at present flown by National Airlines of the U.S. in competition with British Airways.

But National is in the middle of a take-over battle, in which Pan American World Airways is expected ultimately to acquire control of that airline.

In that situation, the Miami-London air route will become available for re-allocation, because the U.S. Civil Aeronautics Board has ruled that any merger of Pan Am with National would preclude the combined airline from flying that route.

Airlines which have expressed interest in Miami-London are Eastern Air Lines, which own bid for National, appears to have been defeated by Pan Am, and Braniff, another big U.S. operator which would like to add Miami to its network as a link between London and South American cities.

Eastern has said that if awarded Miami-London, it would offer a discount fare service of \$305 one-way or 16 per cent below the present cheapest fare, with a peak season economy fare of \$352 single, a 19 per cent cut.

Braniff has not yet filed an application with the CAB for the route, but Mr. Harding Lawrence, Braniff's chairman, said in London recently that his airline would like to have the route once the Pan Am-National merger had been settled.

In the meantime, Braniff has asked the CAB to give it another new route, between Kansas City and London.

Eventually the money was paid to a third party, Thomson McLintock, while discussions continued. Clarkson's customers caught up in the issue were compensated by the Air Travel Reserve Fund.

Under the agreement the liquidators will have received £266,300 and the reserve fund paid by customers to travel agency £276,739, part compensation for what it has paid holidaymakers who were not in the event taken.

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Chataway to head sales group for System X exchange

BY ELAINE WILLIAMS

MR. CHRISTOPHER CHATAWAY, a former Minister of Posts and Telecommunications, has been appointed chairman of British Telecommunications Systems.

BTS is the organisation set up in January to promote overseas sales of System X, the advanced electronic exchange equipment under development for the Post Office.

It is owned equally by the Post Office and its three contractors, Plessey, Standard Telephones and Cables, and General Electric Company.

Mr. Chataway joins Mr. John Sharpley, BTS managing director, as the only other full-time member of the board. The remaining eight executives on the board equally represent the four organisations.

But the appointment of Mr. Chataway, managing director of Oriole Bank, should ensure no bias towards any of the manufacturers.

BTS will be aiming to gain between 15 and 20 per cent of the world telecommunications market which could be worth more than £100m a year.

The main markets for System X, which does not become available for export until 1982 or 1983, are likely to be Australia, New Zealand and the developing countries.

Once the system is fully operational, BTS will be responsible for accepting orders, but not for handling individual contracts. It will decide which of its three suppliers will act as main contractor for a particular job.

BTS will try to maintain the present split of business when it shares out overseas System X contracts.

Argument over how business should be shared and failure to agree on the form of the marketing body should have delayed the original announcement about BTS in January.

The first major role for the new company will be to show the System X equipment at Telecom '79, the world telecommunications exhibition to be held in Geneva next month.

However, the Post Office has already placed contracts with GEC, Plessey and STC for installing eight System X exchanges into the UK network and further orders will be placed before the end of the year.

Exports boost for man-made fibres

BY RHYS DAVID, TEXTILES CORRESPONDENT

MAN-MADE FIBRE output continued rise in U.S. exports. These have been directed mainly at the UK and Italy.

In textured polyester yarn, U.S. exports to Britain are 21 times higher than in 1978. They are set to top 2,500 tonnes.

Imports of U.S. polyester filament are also expected to exceed 4,000 tonnes, a 31 per cent rise on last year.

The federation claimed that prices as well as markets had been hit by U.S. pressure.

A joint submission to the EEC Council of Ministers has been prepared by the European Association for Fibre Producers and its textile counterparts. The associations want action to prevent disruption of the European fibre market.

Clarksons collapse sequel

BY ARTHUR SANDLES

IN ONE of the last ripples of the 1974 Clarksons' Tours collapse, the Air Travel Reserve Fund Agency and the Association of British Travel Agents have reached agreement with the liquidators of Clarksons over "pipeline money".

When Clarksons collapsed it was asked who owned the cash agents, but which had not yet been passed on to Clarksons for holidays which were not in the event taken.

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Further reprieve for Fort William mill

BY RAY PERMAN, SCOTTISH CORRESPONDENT

WIGGINS TEAPE has put off for a further three months—effectively until next summer—the closure of its Fort William pulp mill to allow more time for negotiations on a possible replacement plant.

Mr. Patrick Best, chairman, said yesterday that the company will study the feasibility of building an additional paper making plant alongside the pulp mill and the present profitable fine paper mill.

The pulp mill, which employs about half of the 800 workforce, uses chemical process which has proved to be expensive. Last year it lost £2.7m.

It became necessary to close the mill at least six months' warning would be given and voluntary redundancy would be used where possible, Mr. Best said.

Compared with Davy and Clanny, E. Thomas and Williams is a relative newcomer to the lamp business. Eran Thomas, an Aberdeenshire ironmonger, first started producing lamps in 1860.

A couple of years later he was joined by L. N. Williams, a High Constable and JP. There are no Thomases or Williamses in the company now.

The men in the families died out and the daughters were not interested in the business.

About three years ago, John Donovan, an employee who had been with the company since leaving school in 1941, made an offer for it. He became chairman, chief executive, controlling shareholder (his wife owns the rest) and, in the way of many small concerns, friend and colleague of the 20-strong staff.

I came as a lad and, as the older men went, one by one, I found myself taking on more and more responsibility. Three years ago, I took it all on," he says. "This is the sort of firm where no one really retires. People leave, but next week they are back, doing a little work."

Mr. Donovan's start in life was not favourable. Born Walter Randall Donovan, he had a leg deformity and spent his first few months in hospital. "The matron told my mother and father that Walter Randall

was no name for a boy and that day I've been John to everybody, including my mother and father."

As a boy he had his legs in calipers. In 1946, when he was 20, he decided to have his leg amputated. "It was the best thing I ever did," he says, disclaiming bravely.

The strength which enabled him to take such a difficult personal decision has also helped him through work crises. Only one lamp in every four now finds its way into colliery lamp rooms, and the coal industry has been steadily contracting. One or two ventures into diversification were anything but successful.

His biggest challenge came shortly after he took over the business: one night in January 1978, he received a call from the police to say that the foundry, which had been the company's base for 99 years, was on fire. A break-in had taken place and the foundry was burned down. Almost all the stock was lost.

Within seven weeks, E. Thomas and Williams was producing again on new premises. "Everything was destroyed. I found a new place within a week, but I could not have got under way again had I not had such a marvellous staff. They really were tremendous. Production that year actually went up. Turnover is now approaching £300,000 a year.

The lamps designed for the sideboard or mantelpiece sell well in Aberdeen, Germany, Denmark and Belgium, as well as in this country. For Mr. Donovan would like to find another good seller for the lamps. He is toying with a Great Western Dock, a lining apparatus which hangs on a wall. It ticks off the hours through the regulated flow of water out of a brass cylinder into an earthenware jug. The daunting problem is the high cost of the clocks. Those produced in an experimental batch sell for £75 each, which will have to be considerably reduced for the product to succeed. If this can be achieved, E. Thomas and Williams could close the gap between his business and the world-famous Harrods and Debenhams.

Sun power satellite is proposed

By David Fishlock, Science Editor

SOLAR ENERGY, harnessed continuously in space to beam electricity to earth, might be a long-term alternative to coal and nuclear power stations, according to a study commissioned by the Department of Industry from London aerospace consultants.

The study is part of the planning by the Department of Industry's space division of Britain's future role in space technology.

Britain's activities in space extend little further than its stake in the European Space Agency.

The study into a solar-power satellite was carried out by General Technology Systems with the Royal Aircraft Establishment, Farnborough, and the Atomic Energy Research Establishment, Harwell.

It found that a new technological principles need to be invoked by such a system. However, the venture would pose legal, industrial, institutional and political questions that would need answers before any large-scale power supply could be harnessed in space.

At least nine Departments of Government might be involved: the Department of Energy, Industry and Trade; the Home Office, because of the need to transmit power back to earth by microwave beam and to communicate constantly with the space station; the Department of Health, because of the medical and health aspects of a large new power source; the Ministries for Defence, Agriculture and the Environment; and the Foreign Office.

The study calculates that a fossil-fuelled power station would emit more than 10 times as much polluting chemicals over a 30-year lifespan than would come from the exhausts of rockets required to construct the space power station.

Professor John Haughton, professor of atmospheric physics at the University of Oxford, is to take charge of Britain's space science programme from September 1. He then becomes director of the Appleton Laboratory of the Science Research Council.

Geoprosco Intl.

GEOPROSCO International has asked us to point out that its contract with the Abu Dhabi company for On-shore Oil Operations, reported in the Financial Times on August 2, is for oil well workover contracts and not the maintenance and repair of oil well rigs.

Just why miners' lamps should sell in Harrods (as well as Liberty's and New York stores) is a reflection of our times: the desire among the wealthy to seek out the unusual for their homes. Such coveted objects include pogo sticks, old chamber pots, vintage cars and stuffed birds in glass cases.

The type of lamp sold by E. Thomas and Williams is basically a piece of working equipment slightly adapted for the sideboard. The company still produces rent lamps for collieries, made to stringent Department of Energy specifications.

Strictly speaking, a miner's lamp is not a lamp at all, but a scientific safety device for detecting gas, principally methane. It is commonly called a Davy lamp, after the man who is credited with its invention, Sir Humphrey Davy. In fact, the lamp was the brainchild of Dr. William Reid Clanny, of Somerset, who announced his invention to the Royal Society of Arts in London in 1813. He put it on trial in a Durham pit late in 1813. Davy took Clanny's invention a stage further, added a gauze cylinder and used oil for burning the wick. The first Davy lamp was tested on New Year's Day, 1816, at Hebburn Colliery.

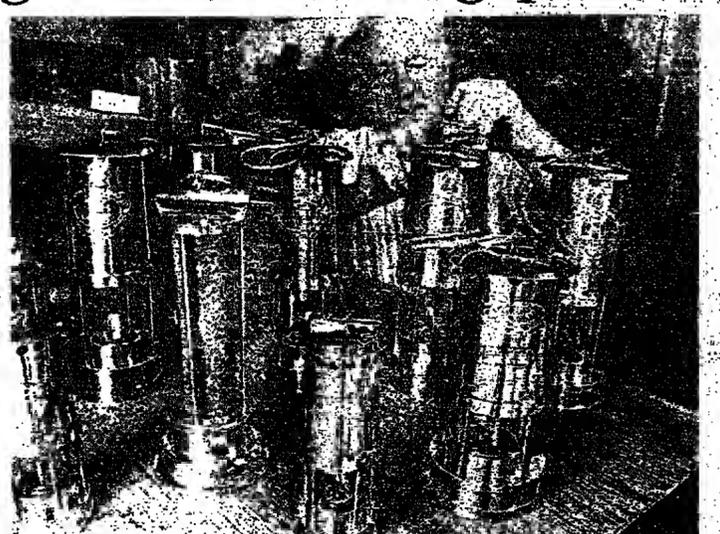
Compared with Davy and Clanny, E. Thomas and Williams is a relative newcomer to the lamp business. Eran Thomas, an Aberdeenshire ironmonger, first started producing lamps in 1860.

A couple of years later he was joined by L. N. Williams, a High Constable and JP. There are no Thomases or Williamses in the company now.

The men in the families died out and the daughters were not interested in the business.



Other Men's Jobs: Anthony Moreton switches on to the latter-day Davy lamp.



Manufacturing miners' lamps at the Cambrian Lampworks, Robertstown, Aberdeenshire.

Manufacturing miners' lamps at the Cambrian Lampworks, Robertstown, Aberdeenshire. The lamps designed for the sideboard or mantelpiece sell well in Aberdeen, Germany, Denmark and Belgium, as well as in this country. For Mr. Donovan would like to find another good seller for the lamps. He is toying with a Great Western Dock, a lining apparatus which hangs on a wall. It ticks off the hours through the regulated flow of water out of a brass cylinder into an earthenware jug. The daunting problem is the high cost of the clocks. Those produced in an experimental batch sell for £75 each, which will have to be considerably reduced for the product to succeed. If this can be achieved, E. Thomas and Williams could close the gap between his business and the world-famous Harrods and Debenhams.

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July lull in new car sales

BY LISA WOOD

NEW CAR sales in the UK last month were the lowest for any July for at least 10 years at 52,252, according to figures published yesterday by the Society of Motor Manufacturers and Traders.

This lull in sales comes after record registrations in the previous six months at 1,031,330. However, July figures themselves offer no guide to market trends as, each year, increasing numbers of motorists delay the registration of cars bought in July until August. In order to benefit from the new registration suffix letter.

This year more than 20,000 new cars were ready to go on the road on August 1, compared with about 18,000 last year.

Importers' market penetration dropped to 52.07 per cent in July, compared with the average 55 per cent for the seven months ending last month, but it was up on the 47 per cent share in July 1978.

In July this year, "captive" imports by UK manufacturers were about 17 per cent, but Ford's imports of cars is slowly dropping as it regains full production in the UK.

Ford also increased its market share in the month. At 33 per cent, however, it is still below last July's record 35 per cent penetration.

BL's market share dropped to 16.86 per cent. Last year in July it achieved a 21 per cent share, and in the seven-month

period to the end of July, it took 20 per cent of the market.

The company said yesterday that its sales dropped in July because many of its customers, being private buyers, were waiting for the August suffix number. In contrast, many of Ford's customers, being fleet buyers, took advantage of the company's discount on Cortinas last month.

Among the traditional importers, Fiat led the way in July. But, over the seven months, Renault of France, whose sales in the period were 5.43 per cent, has overtaken Datsun. The latter, suffering with the other importers of Japanese cars from supply problems, had 5.34 per cent of sales.

At the same time last year,

Renault had 4.30 per cent and Datsun 6.41 per cent. Sales of Japanese cars accounted for 9.09 per cent of July sales compared with 7.83 per cent in July 1978.

The top 10 cars in July were: 1. Ford Cortina (8,425); 2. Ford Escort (4,963); 3. Austin Morris Mini (2,178); 4. Morris Marina (2,113); 5. Vauxhall Cavalier (1,711); 6. Ford Fiesta (1,495); 7. Austin Allegro (1,415); 8. Vauxhall Chevette (1,326); 9. Ford Granada (1,237) and 10. Chrysler/Talbot Avenger (1,188).

Exports of motor vehicles and components exceeded imports for the first time this year in June, but the motor industry is still running a £200m trade deficit for the first six months.

Statistics delayed by disputes

By Our Economics Staff

PUBLICATION OF the July trade figures has been postponed from next Tuesday until August 20, because of the Civil Service industrial action.

The disputes have affected the flow of information about imports arriving at Heathrow and Gatwick. Statistics published so far this year have been distorted by the carry-over of trade from one month to the next. A footnote estimating the aggregate impact has been included with the monthly press notice.

Department of Trade statisticians are adjusting both the July figures and earlier ones. The Department hopes the figures will provide the best possible estimates of the monthly movements in total trade.

British Steel's prices to rise

By JOHN LLOYD

THE BRITISH Steel Corporation will raise prices on most of its major products from early next month.

This follows rises of between 5 and 6 per cent in prices charged by independent steel producers, which take effect next week. It is not known if British Steel's rises will be of the same level, but they are expected to be close.

The coming price rises are fuelling concern among the big steel consumers, who have already shown signs of rebelling against paying the independent producers' increases.

There are now wide differences between British Steel list prices and those of continental producers, especially in the merchant bar, rebar, heavy section and rod grades.

These differentials are reportedly hardening the resolve of a number of big steel users to shop around, especially in Europe, for some grades of steel.

foreign producers, and of squeezing the profit margins of those big steel users who are also major exporters.

At the same time, BL, which takes about 40 per cent of British Steel's output of sheet steel, said last night that its plans to continue to buy British steel as in components, remained unchanged.

The company believes it must safeguard its long-term relationship with its domestic suppliers, rather than buy in markets which may be only temporarily more attractive.

The corporation's pilot production plant for making substitute coke, established in Scunthorpe in 1973, is to close. It has cost British Steel £18m.

The decision to close the plant was taken once it became clear that the plant, which costs £250,000 a month to run, would not become profitable for at least a year. Some 130 workers at the plant will be taken on at British Steel's Scunthorpe division.

The plant, which used a German-developed process to produce high-quality substitute coke from low quality coals, was developed when British Steel produced about 24m tonnes of steel a year. That figure has fallen to 18m tonnes a year, and the need for the plant has disappeared.

Sales of cigarettes 'fall 5%'

By David Churchill

CIGARETTE SALES may have fallen by as much as 5 per cent as a result of the price increase of 6p for 20 cigarettes arising out of the rise in value-added tax.

W. D. and H. O. Wills, the Imperial Tobacco subsidiary, said yesterday that its preliminary estimates showed an overall market fall of about 5 per cent.

Other trade sources suggest that it is too soon after the Budget to make firm estimates. Retailers and consumers traditionally stock up before a Budget, and any fall in sales may reflect only that.

Gallaher observed that its supplies had been affected by an industrial dispute at its Northern Ireland factory, which disrupted production.

Figures yesterday from the Office of Population Censuses and Surveys suggest that the overall trend of falling cigarette consumption in the mid-1970s appeared to have slowed last year.

The figures also show that the decline in cigarette smoking has been more marked among men than women. In 1972 59 per cent of men smoked; last year it was 45 per cent. The drop among women smokers was from 41 per cent to 37 per cent.

There was also an increase among men who said that they never, or only occasionally smoked.

	1979	%	July 1978	%	1979	Seven months ended July 1978	%
Total UK produced	25,043	47.93	34,601	54.77	484,648	44.73	494,804
Total imported†	27,209	52.07	28,579	45.23	598,534	55.27	437,331
Total market*	52,252	100	63,180	100	1,083,582	100	932,135
Ford*	17,300	33.12	22,245	35.24	310,542	28.66	261,383
BL—Austin Morris	7,279	13.93	10,434	16.51	176,089	16.20	163,588
Jaguar Rover	1,530	2.93	3,093	4.89	44,270	4.08	47,148
Triumph	8,909	17.05	13,527	21.41	220,359	20.34	210,736
Total BL	18,718	35.83	27,097	42.75	440,768	40.62	421,562
PSA—Chrysler*	4,329	8.29	4,806	7.49	81,350	7.51	62,721
Citroen	1,056	2.02	1,589	2.52	20,419	1.88	17,474
Peugeot	1,753	3.35	1,919	2.99	24,022	2.22	15,446
Total PSA	6,538	12.52	6,914	10.95	125,792	11.61	95,641
General Motors	—	—	—	—	—	—	—
Vauxhall*	3,574	6.84	4,047	6.40	71,973	6.64	79,808
Opel	800	1.53	702	1.11	17,252	1.59	11,222
Other GM	71	0.14	112	0.18	719	0.07	524
Total GM	4,445	8.51	4,861	7.69	89,944	8.30	91,554
Datsun	2,404	4.60	2,743	4.34	57,916	5.34	59,736
Renault	2,159	4.13	2,763	4.37	58,800	5.43	39,117
Fiat	2,528	4.84	2,774	4.40	44,903	4.14	39,572
VW/Audi	1,855	3.55	1,745	2.76	45,279	4.18	34,292

Crown Agents audit shortlist

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

COOPERS AND LYBRAND and two other large international accounting firms were in- accounting firms have been shortlisted for the audit of the Crown Agents.

Sources in the accounting profession were agreed yesterday that the shortlist runs to more than 10 firms: Coopers and Lybrand, Deloitte Haskins and Sells, Touche Ross and Price Waterhouse.

However, indications from the Crown Agents are that the final list will contain only three names.

About 14 large and medium-sized accounting firms were invited to submit initial tenders for the Agents' audit. Firms which submitted tenders included: Pricewaterhouse, Ernst and Whinney, Thomson, Arthur Young and Deloitte Haskins and Sells, Touche Ross and Andersen.

Up to now the Crown Agents has been audited by the Exchequer and Audit Department.

change in the audit arrangements arises from the provisions of the 1979 Crown Agents Act, under which the Crown Agents is established as a public corporation. The Act requires that the on-going business of the Agents should be audited by a private sector accounting firm while the "Realisation Account"—the fringe property and banking activities which are gradually being wound up—will continue to be audited by the Exchequer and Audit Department.

Treasury looks to sharp rise in N. Sea oil benefit

BY PETER NIDDEL, ECONOMICS CORRESPONDENT

THE CONTRIBUTION of North Sea oil and gas to the current account of the balance of payments should jump sharply this year, according to new Treasury estimates published yesterday.

The current account benefit this year is estimated at £2.2bn compared with £3.9bn in 1978 (with both figures in 1978 prices). This year's expected contribution is equivalent to about 18 per cent of last year's total exports.

The figures are included in the August issue of the Treasury's economic progress report and update estimates published last October.

The report also highlights the expected rise in Government revenue and the sector's contribution to Gross National Product.

The output assumptions are close to the centre of the range set out recently in the Department of Energy's Brown Book. It is assumed that real oil prices remain at their present level in sterling terms until the end of this year.

In 1980, when the oil market is expected to return to a more normal state, it is assumed that the sterling price of North Sea output declines somewhat in real terms, although it may change little in nominal terms. This is because the price of oil is assumed to rise in real terms, but the price of North Sea oil is assumed to rise less than the price of other oil.

The large increase in the contribution to the current account this year compared with 1978 is both because of a rise in pro-

duction and as a result of the sharp increase in the real price of oil. There has also been a marked upward revision of the estimates for 1979-80 compared with last October. After adjusting for the change in the price basis from 1977 to 1978 prices, this is an increase of about 12 per cent.

This year it was expected last October that the net current account contribution would be just over £5bn this year and £6.4bn next year (both adjusted to 1978 prices).

The latest projections are £2.2bn and £6.5bn respectively. The slight fall in the net contribution next year is because the real sterling oil price is assumed to fall back, but these effects are largely offset by rising oil production.

A 10 per cent variation either way in real sterling oil price would alter the contribution to the current account by roughly £600m in 1979 at 1978 prices.

The net impact on the current account is positive in the early years, while large funds are needed to develop existing fields, but by 1985 there should be a small outflow on capital account.

The North Sea sector is expected to contribute much more this year to the balance of payments than to national income. This is because gas production is valued in the national income estimates at contract prices actually paid, about £450m in 1978.

The contribution of the North Sea sector (its net value added) has risen from £1.8bn in 1977 (14 per cent of Gross National Product) to £2.2bn last year (11 per cent of GNP), all at

1978 prices. The impact this year is estimated at £3.8bn (probably a little over 2 per cent of GNP) and by 1985 it may reach £6bn. This would amount to 32 per cent of 1978 national income before taking account of any other increase in output in the rest of the economy.

The GNP estimates up to 1980 are broadly similar to those made last year after allowing for the different price basis. While estimates of production are less than before, the real sterling price is higher than previously assumed.

Interest, profits and dividends due abroad are less than previously estimated in the next couple of years, but nearly £1bn higher in real terms in 1985 than estimated previously. This reflects a change in the assumed treatment by companies of petroleum revenue tax.

Consequently, the contribution of the sector to national income in 1985 is somewhat lower than last year's estimate. If the real sterling oil price were 10 per cent lower (or higher) by 1985 than assumed, the estimated income would be reduced (or increased) by £500m.

Government revenue from royalties, petroleum revenue tax and corporation tax from the North Sea sector up to the end of last month was £1.19bn, of which £266m has been so far in the present financial year.

Receipts are expected to rise from £221m in 1978-79 to £1,587m in 1979-80, of which some £110m will result from the tax changes in the Budget.

Economic Progress Report, No. 112, August 1979.

	1977	1978	1979	£bn at 1978 prices	1980	1985
Oil and gas production (equivalent import value)	4.8	5.2	9.1	8.8	11.2	8.6
Net imports of goods and services, less some exports	1.4	0.7	0.7	0.6	0.5	0.5
Interest, profits and dividends due overseas	0.5	0.6	1.1	1.4	1.8	1.8
Net contribution to current account	2.9	3.9	7.2	6.8	8.9	8.9
Net effect on capital account	+1.4	+0.7	+1.0	+0.5	-0.2	-0.2
Net identified effect on balance for official financing	4.3	4.6	8.2	7.3	8.7	8.7

	1977	1978	1979	£bn at 1978 prices	1980	1985
Value of oil and gas production	2.8	3.3	5.5	6.6	8.6	6.6
Goods and services bought outside the sector	0.5	0.5	0.6	0.6	0.5	0.5
Value added by North Sea sector	2.3	2.8	4.9	5.9	7.9	6.1
Total royalties plus pre-tax profits	0.1	0.1	0.1	0.1	0.2	0.2
Employment income	0.5	0.6	1.1	1.4	1.8	1.8
Interest, profits and dividends due abroad	0.5	0.6	1.1	1.4	1.8	1.8
Gross National Product at market prices within North Sea sector	1.8	2.2	3.8	4.5	6.0	6.0

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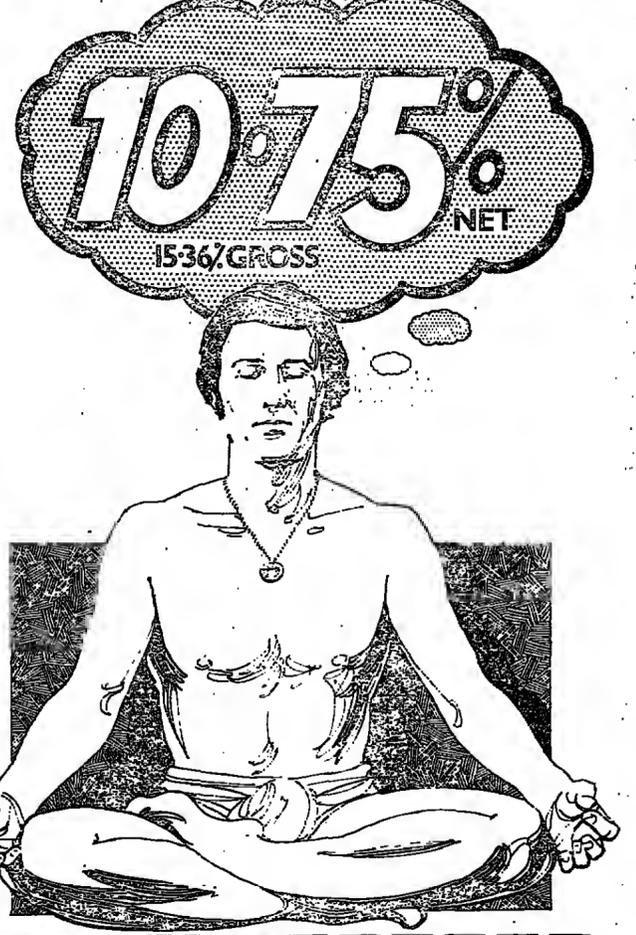
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Candidates, male or female, can make application by quoting reference MK/S/2070 and requesting a personal history form from Ashley S Phoenix, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 8SY.

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Economic Policy Department

Deputy Head

The Confederation of British Industry has a vacancy in its Economic Directorate for a well qualified and able economist to become Deputy Head of the Economic Policy Department. This is a responsible senior post in a team whose role is to promote and represent the interests of British business, both to Government in the UK and to European Community institutions.

The successful candidate will have a good honours degree in economics including monetary economics, a few years further study

and/or relevant work experience and the ability to communicate clearly and concisely both orally and in writing.

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Further information about the post and application forms can be obtained from Miss Sue Bridget, Personnel Division, 21 Tot Hill Street, London SW1H 9LP (01-930 6711) to whom completed forms should be returned.

Second Economist

A vacancy is also expected to arise in October, for somebody with good academic qualifications and ideally some years' experience in economic modelling, to help develop and apply the CBI and other methods of the economy to

problems of forecasting and analysis of policy alternatives. For information about this post, telephone Doug McWilliams on 01-930 6711 extension 319. Closing date for applications 31 August 1979.



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c. £12,750 (after tax) + car

Our client, Booker Agriculture International Limited, a Booker McConnell company, specialises in the provision of management, consultancy, and technical services throughout the world. The Company is about to implement in Papua New Guinea a twin enterprise project embracing sugar production and manufacture, and cattle ranching. The senior management team is now being assembled which will plan and develop the organisational infrastructure for this £200-million project.

As a key member of the management team, the Chief Accountant will control the installation and implementation of all financial and management accounting systems and the integration of these within the context of a fast developing capital project. Candidates, aged 30+, should be qualified accountants who have already gained some overseas experience. First-hand experience of dealing with major contracts would be an advantage.

Salary for this career post with BAI will be around £12,750 (after local tax) and is accompanied by a car, free family accommodation, return air fares, education allowance, and a range of other benefits. Length of tour is 18 months, followed by 2 months home leave. Mid-tour local leave is 3 weeks. It is envisaged that two or more tours of duty will be undertaken on the project, followed by an appointment elsewhere overseas or in the UK. Subsequent career opportunities with the company are excellent. Ref: AA557002-FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

INTERNATIONAL BANKING

CREDIT ANALYSIS c. £8,000
An excellent opportunity with an expanding consortium bank for a young banker with sound Euro-credit experience. Degree/qualification preferred; promissibility essential.

EUROCURRENCY LOANS ADMIN. c. £5,000
Small U.S. bank urgently needs someone with good knowledge of loan administration and the ability to work with minimum supervision.

F.X. "BACK UP" c. £4,500
Bright youngster with at least a sound introduction in F.X. required to strengthen the team supporting a very active dealing operation.

EUROBONDS/SECURITIES c. £6,000
International investment bank extends this unusual opportunity for a young person to develop his/her knowledge of multi-currency securities.

Please telephone Aao Costello or John Chiverton A.L.E.

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CHIVERTON
ASSOCIATES LTD.
31, Southampton Row,
London, W.C.1.
01-242 5841

Senior Auditor

Operational and Financial Europe up to £10,000

Our client is a major international group based south of London. The opportunity exists for a graduate qualified accountant or graduate with a post graduate business qualification and industrial experience to join a small highly skilled team with significant responsibilities. The environment is sophisticated and job activity embraces most aspects of the company's day to day controls and longer term planning.

REPLIES will be forwarded, unopened and in confidence to the client unless addressed to the Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

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City **CSL** **up to £10,000**

YOUNG QUALIFIED ACCOUNTANT

Special Assignments

A major city based U.K. multinational seeks a young qualified accountant to undertake assignments within a specialist department which handles corporate finance and treasury matters for the group. The type of work is very varied and would give an excellent opportunity for an ambitious candidate, both to learn about and contribute to the financial strategies of such a multinational. There are considerable career prospects for the right candidate.

Starting salary will be in the range £8,000-£10,000. Substantial fringe benefits include low rate mortgage facilities and a first-class pension scheme.

Brief but comprehensive details of career and salary to date, which will be acknowledged and forwarded to our client unless a covering letter gives contrary instructions, should be sent to E. J. Robins, Executive Selection Division, Ref. R596, at the address below.

COOPERS & LYBRAND ASSOCIATES LTD.
Management Consultants
Shelley House, 3 Noble Street, London, EC2V 7DQ.

BARCLAYS BANK

Barclays Bank Chief Accountant's Department is located in new offices in Poole, Dorset. Their work is involved with financial and management accounting for the total Barclays Group. The department also plays a vital role in the co-ordination of the Bank's accounting and because of expansion currently has the following vacancies.

DEPUTY UK CHIEF ACCOUNTANT
c. £13,500

This post is concerned with the preparation of financial and management accounts for the Bank's UK Division, including its domestic banking operation. Selection criteria include: an accounting qualification and comprehensive financial and management accounting experience in a large organisation preferably a financial institution. Age 35+. Ref: 997/FT

TWO SENIOR GROUP ACCOUNTING POSITIONS
c. £10,000 and £8,500

These posts are concerned with the collection of information and preparation of the financial reports for the total Barclays Group to meet expanding reporting and disclosure requirements. Selection criteria include: an accounting qualification, an awareness of international accounting requirements and, for the senior post, three years' post-qualification experience either in a multinational group at Head Office level or in a large professional firm. Age 24-32. Ref: 998/FT

ACCOUNTING RESEARCH MANAGER
c. £10,000

This post is concerned with research and advice on accounting practices, including compliance with UK, EEC and other international standards and legal requirements. Selection criteria include: an accounting qualification and/or degree, knowledge of Company Law and related legislation, a knowledge of accounting standards and current developments in the UK, EEC etc. with a keenness for research and an analytical approach to new developments. Age 27-40. Ref: 999/FT

These positions offer attractive working conditions, opportunities for career progression within the Barclays Group and many fringe benefits including a non-contributory pension scheme, house purchase and profit-sharing schemes.

Please send a comprehensive career résumé, including salary history, to W L Tait, quoting the particular reference number.

Business Analyst

c. £10,000 Home Counties

Our clients is a highly successful multi-national group, manufacturing and marketing its range of fast moving products in an ever increasing number of international markets. Their impressive performance has been based on effective, long term strategic planning and they now wish to appoint a Business Analyst as an additional member of the planning team.

The need is for a determined professional to contribute to the strategic planning process and assist in the formulation of long term business plans. This role will utilise all the skills you have acquired working at a responsible level in business analysis - in stockbroking, banking, consultancy or in the planning department of a marketing oriented company.

You will be educated to degree level in a business-related discipline, preferably in Business Administration or Economics. You are likely to be aged around 30 and currently earning in excess of £8,000 p.a.

The salary is negotiable around £10,000 p.a. plus comprehensive benefits including a company car, generous pension scheme and free BUPA. If necessary, assistance will be given with relocation.

Please write in the first instance, with full details of your career to date to: Miss M. A. Rutter, Moxon Dolphin & Kerby Ltd, 60 St. Martin's Lane, London WC2N 4JB, quoting reference MR/FT/809.

Please state in a covering letter any companies to whom you do not wish your application sent.

MOXON DOLPHIN & KERBY LTD
MANAGEMENT SELECTION



Touche Ross & Co. Management Consultants

4 London Wall Buildings,
London, EC2M 5UJ
Tel: 01-588 6644.

Group Chief Accountant

£11,000 plus, and car S.E. England

A major Group of Civil Engineering Contractors operating in the UK and overseas requires a Group Chief Accountant.

With full responsibility to the Parent Board for the group accounting function, he/she will be a qualified accountant, aged 30-40, with experience of the construction industry. A knowledge of overseas projects and joint venture operations will be an advantage. Some overseas travel will be necessary.

Career prospects in this demanding position are excellent. The remuneration is negotiable and re-location expenses will be paid.

Application to B. G. Luxton quoting Ref. 6432

General Manager Africa

A large Scandinavian company with extensive international activities is looking for a general manager for its operations in East Africa, comprising large scale farming and manufacturing. The company employs several thousand workers.

The manager must be a dynamic person with particular abilities as a team leader and in negotiating. Relations with the local authorities will be an important part of his duties. Prior experience in a developing country will be an advantage.

Salary and other terms will be commensurate with the calibre of man sought. The appointment will be made between Autumn 1979 and Spring 1980.

Write in confidence, quoting reference 3174/L, to E. W. Cornford, Peat, Marwick, Mitchell & Co., Executive Selection Division.

165 Queen Victoria Street,
Blackfriars,
London, EC4V 3PD.
Peat, Marwick, Mitchell & Co.

Assistant Financial Controller

Granada Group require an Assistant Financial Controller for their overseas television rental group.

Talent Europe SA, the operating holding company, controls investments in seven European countries and in North America.

A qualified accountant, age 30-35, is required as part of the Head Office team. Opportunities for promotion within the Group may be available in due course.

The work involved includes financial management, auditing, foreign exchange, European accounting and taxation and consolidation. The position is London based - travel costant 30%. A self-motivated - tactful but firm and able to communicate, should welcome the opportunity to negotiate a remuneration package of £10,000 pa plus.

Interested applicants should send brief personal and career details to: John F. Drake, Group Personnel Adviser, Granada Group Services Limited, 36 Golden Square, London W1R 4AH.

GRANADA

mh Mervyn Hughes Group
23 Cursitor Street, London EC4A 3NE
Management Recruitment Consultants 01-404 5801

Financial Controller

N.E. Surrey c. £10,000 + car

A recently established U.K. marketing subsidiary of a major U.S. electrical group, whose products include many household names, wishes to appoint a commercially aware and experienced qualified accountant aged c.35.

Working closely with the Marketing Director and reporting to the Group Executive in W. Germany and the U.S. you will be responsible for setting up and running the complete accounting and administration functions. The successful applicant will recruit his/her own staff and will assist in influencing the company's growth and future profitability. Prospects of an early board appointment are excellent.

Please write with full details to:
David G. Nevin quoting ref DN/153/FCF

Group Personnel Controller

City Insurance c. £14,000 + car

This appointment is being made by a well established successful and expanding composite Insurance Group with a decentralised organisation of approximately 1,000 employees in the United Kingdom.

A Group Personnel Controller is to be appointed to enhance the professional expertise of the Department. The Personnel function is accepted and effective with emphasis on communication through Line Managers.

The appointment will require in-depth knowledge of Industrial Relations practice and procedures, communications, manpower planning, training and remuneration.

Applications are invited from men or women aged 30-45 who hold a degree and membership of the Institute of Personnel Management. Considerable experience in all aspects of Personnel Management, preferably in the Financial or Insurance sectors is essential, with the ability to relate well at all levels.

Please reply giving brief personal and career details to:
The Managing Director, Box A.6839, Financial Times,
10, Cannon Street, EC4P 4BY.

CORPORATE FINANCE EXECUTIVE

The U.K. subsidiary of a major American investment bank wish to employ a young executive of between 25 and 35 years of age with extensive experience in the management and placement of eurocurrency syndicated loans, public issues, private placements and other sophisticated corporate finance.

Prospects are unlimited for the successful candidate. Salary will be Circa £20,000 with circa 0.5 other fringe benefits.

LOANS ADMIN/CREDIT ANALYST

A subsidiary of a leading North American Bank wishes to recruit an experienced person for their credit area to work principally in the loans department with involvement in credit analysis. The ideal applicant will have a sound background in all aspects of loans administration combined with a working knowledge of credit analysis. The bank is newly formed and has plans for expansion. The post carries good prospects and the usual fringe benefits.

Age: 26/35 Salary: Around £8,500 neg.

PROJECT FINANCE

An Assistant Manager is required by a progressive City Merchant Bank, responsibilities to cover all aspects of buyer/supplier credits, eurocurrency and syndicated lending together with E.C.G.D. negotiations.

Age: 25/35 Salary: Circa £9,000

CREDIT ANALYST

City Bank is seeking an experienced analyst, preferably American Bank trained, to handle medium term lending, company and bank dealing lines.

Age: 20/28 Salary: Circa £7,000

These positions are open to both male and female applicants

BSB Banking Appointments
115-117 Cannon St., London EC4N 5AX. Tel: 01-623 7317 & 01-623 9161
Recruitment Consultants

Lloyd Management

Recruitment Consultants
125 High Holborn London WC1V 6QA 01-405 3499

Financial Accountant

Staines

Memorex UK Ltd., are the market leaders in computer peripherals and have a continuing record of growth.

We now seek a Financial Accountant who could be a newly qualified ACA or ACCA and have a sound theoretical knowledge of computerised systems.

Reporting to the Chief Accountant, the person appointed (assisted by a staff of three) will be responsible for the financial accounting of the company.

This position offers an ideal move to industry, with a splendid opportunity for career progression.

Memorex provides an excellent benefits package including BUPA cover after 1 year.

Telephone Barry Aiken or Nigel Harris now for further details, or write with brief career details to Memorex UK Ltd., 96-104 Church Street, Staines, Middlesex TW18 4XM. Tel: Staines (81) 51488.

MEMOREX

JERMYN STREET

Prestige retail premises opening November 1979 specialising in range of high-priced luxury goods including Havana cigars and smoking accessories. The following appointments are to be made:

MANAGER: c.£10,000 p.a. To supervise all aspects of retail operations. Would suit person with proven selling record, ambition and ability to adapt to new products and special selling technique.

ASSISTANT MANAGER: c.£7,500 p.a. This position requires a younger person who can sell effectively and mix with all nationalities.

No previous experience of tobacco business required (although an advantage). Interviews London early September. Apply to writing with full curriculum vitae to 14 Dominico Street, London EC2M 2RJ, quoting 8/WH. (These positions are open to male and female applicants.)

HOME STUDY TUTORS-BANKING

Due to continued expansion the School of Banking requires additional home-based tutors to assess and mark written work of students preparing for the Institute of Bankers examinations.

Application forms and further particulars may be obtained from: E. Vanden Aker, Head of the School of Banking, Intertext House, 160, Stewarts Road, London, SW6 4JU.

GEOPHYSICISTS

International Consulting firm needs Senior Interpreters and Quality-Control Geophysicists for U.K., South America, Continent and Africa. Excellent salary, housing; transportation paid.

PETROLEUM EXPLORATION CONSULTANTS
01-328 7217 night or day

Jonathan Wren - Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

FINANCIAL CONTROLLER BRUSSELS

Our client, the leasing subsidiary of one of the top twenty U.S. commercial banks, wishes to appoint a Financial Controller to its branch in Brussels. Candidates, for this appointment should be qualified accountants, fully conversant with Belgian and U.S. accounting practices (including FASB and FAS13). It is considered essential that the appointee has a good command of the Dutch, Flemish and French languages in addition to English. The responsibilities will include office administration and control of day-to-day bookkeeping, in addition to the Treasury function. Salary is for negotiation, based on £20,000 equivalent.

ACCOUNT OFFICERS LONDON

Two career opportunities for lending bankers exist at the London branch of a leading American commercial banking corporation. The more senior vacancy will entail territorial and corporate responsibility, including new business prospecting. Candidates, probably aged about thirty, should have some years' experience in the marketing of international bank credit services, backed up by sound credit analysis training. Knowledge of a European language would be an advantage but is not essential. Salary for this position will be into five figures.

The second appointment, for a Junior Calling Officer within the bank's Middle East and Africa area, would suit an experienced Credit Analyst or Lending Officer's Assistant with some marketing exposure. Candidates are likely to be in their mid or late twenties and in this case a high four-figure salary is involved.

Both positions involve some travel and offer good prospects for future career development.

For further details of these appointments, please telephone in confidence or send a detailed Curriculum Vitae to SOPHIE CLEGG

First floor - entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

£6,000-9,000 ACCOUNTANCY APPOINTMENTS
at £17.50 per s.c. cm. appear every Tuesday
For further details on advertising contact:
SALLY STANLEY 01-248 8000 Ext. 7177 or 01-248 5597

ALPS

ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LTD
 35 New Broad Street, London EC2M 1NH.
 Tel: 01-588 3576 Telex 867374

An opportunity to learn about and work in a rapidly expanding marketing orientated company — opportunity exists to join the Executive Board in 2-3 years

FINANCIAL ACCOUNTANT—INSURANCE

WEST LONDON £8,500—£10,500 + CAR

EXPANDING INSURANCE COMPANY WITH ASSETS OVER £60 MILLION —
 SUBSIDIARY OF AN INTERNATIONAL BILLION DOLLAR GROUP

We invite applications from accountants (C.A. or A.C.A.), aged 27-32, who have acquired a minimum of one year's post-qualification experience and have acquired practical experience of weekly and monthly financial control systems. He/she may either be still in a large professional accountancy practice or employed in commerce, in either case having responsibility for a team of not less than five persons. The successful candidate will also have worked with computerised accounting systems. He/she will be responsible for introducing a system of on-line accounting within the next six months, and will play a major part in the further development of such systems on the company's IBM System 34. A further task will be to develop further the company's management accounting procedures. A well-balanced commercial outlook and the ability to enthuse a team is important. Initial salary negotiable, £8,500-£10,500 plus car, contributory pension, free life assurance, widow's benefit, free family B.U.P.A., assistance with removal expenses if necessary. Applications in strict confidence under reference FA014/FT, to the Managing Director:

ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.
 TELEPHONE: 01-588 3588 or 01-588 3574. TELEX: 867374.

THAMES POLYTECHNIC
 School of Mathematics,
 Statistics & Computing

TEMPORARY LECTURER IN DATA PROCESSING/ SYSTEMS ANALYSIS

A temporary vacancy exists for a one-year full-time appointment to replace a teacher on sabbatical leave. The School runs degree and diploma courses with significant sections on Data Processing, Data Base Techniques, Systems Analysis and Management Information Systems. Applicants should be graduates with relevant industrial experience.

Salary scale: £5,016-£7,695 inclusive, subject to formal approval

Further particulars and form of application may be obtained from the Staffing Officer, Thames Polytechnic, Wallington Street, London, SE18 6PT. Completed applications should be returned by 31 August, 1979.

Assistant Treasurer

Circa £9500 + bonus and car

Avis Management Services Ltd., is the head office of the Europe, Africa & Middle East Division of Avis Rent A Car and is situated in Bracknell, Berkshire.

The Treasury Department is primarily responsible for the funding and financial management of country operations within the Division, including cash and asset management and international money movements. Due to promotion, we now wish to fill the appointment of Assistant Treasurer, who will be involved in detailed country negotiations to ensure that funding requirements are met within corporate guidelines. In addition the person appointed will be expected to participate in special studies and projects, such as acquisition analysis, exchange control investigations and policy reviews. Candidates should have a professional accounting or banking qualification together with several years' managerial experience, preferably within an international company or bank. A working knowledge of money markets and a general understanding of corporate finance, together with original thinking and the ability to accept responsibility are necessary for this appointment. A European background and languages would be useful but not essential.

The remuneration package includes an incentive bonus scheme and other benefits include a company car, non-contributory pension scheme and free BUPA. Relocation expenses may be payable for the successful candidate and rented housing may also be available.

For an application form please write to or telephone Hilary Richfield, Personnel Manager—A.M.S., Avis Management Services Ltd., Avis House, Station Road, Bracknell, Berkshire, Bracknell 26644.



PROFIT IMPROVER

London

Our client, a £100m British Group, has decided to recruit a senior staff executive to concentrate on profit improvement, who will be responsible to a main Board Executive Director. The person appointed will frequently visit the manufacturing plants to help subsidiary company management identify opportunities to improve operating effectiveness in areas as wide as manufacturing engineering, production control, management systems, product design, value engineering, marketing, pricing, licensing and patents.

Clearly the experience sought covers the whole spectrum of management — but even more important are the personal qualities needed to gain the confidence of hard-pressed senior people and the practical abilities to convert decisions into action. Someone is needed who is at home — and welcome — in the engine room and on the bridge.

After a period of 18 months or three years it is expected that this executive will be offered a senior line position in one of the subsidiary companies. The career prospects indicate someone under 40. Please send full details, including salary, to Peter Raynes, quoting reference 0741, or if you would prefer to complete a form, telephone Guildford (0483) 67781 (24 hour service).

PETER COUNSEL limited
 Executive Recruitment

The White House, 8 High Street, Guildford, Surrey, GU2 5AJ

TRUSTEE SAVINGS BANK of Yorkshire and Lincoln

MANAGER - COMMERCIAL LENDING

The TSB of Yorkshire and Lincoln part of a leading U.K. banking group has 161 branches and employs around 1300 people. A new position of Commercial Lending Manager has been created in anticipation of the considerable scope for future developments in this area. Reporting directly to the Advances Controller, the successful applicant will be responsible for the formulation, promotion and control of commercial lending services shortly to be introduced and, when necessary, will assist in the writing of training manuals describing the type of facilities to be made available, the security documents to be used and the control procedures to be followed. Applicants should have a sound knowledge of commercial lending and small business finance, and should be able to demonstrate wide experience of the assessment of lending propositions. The ability to organise and to communicate at all levels is essential. A related professional qualification would be an advantage. It is unlikely that candidates under the age of 30 will possess the necessary experience for this position. The commencing salary will be commensurate with experience and qualifications and will be in the range of £7853-£10383. Benefits include house purchase subsidy and non-contributory pension scheme. Applications should be supported by the names and addresses of two referees and marked 'Private & Confidential' giving full details of age, experience and qualifications and should be addressed to:-

The General Manager,
 Trustee Savings Bank of Yorkshire & Lincoln
 Head Office (Administration)
 308 Tadcaster Road
 York YO2 2HF

Closing date of Applications 31st August 1979



FINANCIAL CONTROLLER

C. £15,000 W. Yorks

A prominent and technologically advanced textile company, part of an international group, wishes to strengthen its top management team by making this new key appointment. The Financial Controller will report directly to the Managing Director and have sole responsibility for developing, refining and running the management accounting function in its widest sense. All treasury, secretarial and financial accounting will be a group function. However, regular liaison will be necessary. Success in this role will bring early prospects of a Board promotion. The ideal candidate would be a qualified A.C.A. or A.C.M.A., aged not less than 33, must be a good communicator who wishes to contribute to a vigorous management team in a Yorkshire environment where plain speaking is an asset. Experience in a sizeable modern process industry is most desirable and applicants must have successfully set up and run management accounting procedures preferably with computers. Salary will be negotiable around £15,000 and benefits include a Granada 2.3, non-contributory pension plus W.P.A. and life cover. Re-location help available. Replies, quoting ref. 58177, accompanied by CV will be forwarded unopened to the Management Consultants advising on this appointment. **W.T. Recruitment Ltd.**, 40 Berkeley Square, London W1X 6AD.

Financial Controller

c. £11,000 + Car West London

Olympic Holidays Ltd., requires a qualified accountant to control the company's financial and cost accounting, and to advise on all matters relating to corporate financial planning. The object of this appointment is to further develop the substantial growth this privately owned company is experiencing as the market leader in Greece, with a turnover of £10m. The successful applicant will probably be aged 30-40, ideally have knowledge of computer techniques, but certainly have experience of financial planning, budgeting and management information systems. All the company's accounting work is carried out in-house under the management of a Chief Accountant. The remuneration package includes a salary of c. £11,000, company car, BUPA benefits, general travel concessions and a performance related bonus. The Financial Controller is a senior management appointment reporting to the Managing Director, with the opportunity of board status. Send full details to the Managing Director:



24/28 Queensway, London W2 3RX. Tel: 01-727 8050. ABTA/ATOL 341B.

Financial Controller

City to £14,000

For the autonomous subsidiary of a leading US insurance company. Reporting to the chief executive and general manager, the successful candidate will be responsible for the financial function of this well established operation. Candidates, preferably 35-45, must be chartered accountants, with proven experience at a senior level in the insurance industry, and a knowledge of all appropriate regulatory procedures. EDP experience is required. There is an attractive benefit package. For an application form, write in confidence showing how you meet the specification and quoting reference 3034/L, to J. H. Cobb, Peat, Marwick, Mitchell & Co., Executive Selection Division,

165 Queen Victoria Street,
 Blackfriars,
 London, EC4V 3PD.
 Peat, Marwick, Mitchell & Co.

£6,000 accountancy appointments £9,000

These advertisements appeared in the Financial Times on August 7, 1979

Job Title	Salary	Location	Advertiser
Financial Controller	£9,000 + car	C. London	Robert Half
Treasury Administrator	£9,000	Berks	Robert Half
Arabic Speaker	Neg.	Rural East Midlands	Robert Half
Line Management	£8,500	North Surrey	Robert Half
Financial Analyst	£7,500	Sussex/Surrey Borders	Robert Half
Assistant Accountant	£8,537.46	London SE1	National Dock Labour Board
Partnership Accountant	£8,000 + benefits	London WC2	Weatherall Green and Smith
Financial Controller	£8,000	—	Box No. A.6858
Internal Auditor	£19,500	Bermuda	IPS Group
Accountants	£8,200	London SW1	Blue Circle Industries Ltd.
Treasury Assistants	£8,200	London SW1	Box No. A.6881
Financial Controller	£8,000	Uxbridge	Bobos T.K. Ltd.
Accountants	£8,000 + car	Middlesex	Landsdown Appointments
Internal Auditors	Various	Brighton	American Express

For the full text of these advertisements please see the F.T. of that date or telephone Sally Stanley on 01-248 5397.

ASSISTANT CHIEF ACCOUNTANT

Age 25-30 c. £8,000

Rapidly expanding International Bank in City seeks to appoint an ambitious and competent qualified Accountant to this important position. The job involves supervision of five staff, preparation of monthly and year-end accounts. Liaison with outside auditors and the production and completion of final accounts. The successful candidate will have at least three years' previous International Banking experience and will possess personal qualities of drive and ambition. In addition to the negotiable salary, fringe benefits are extensive and include mortgage facility and bonus. In the first instance, please contact Brian Durham.



41/42 London Wall, London EC2. Telephone: 01-588 0781 (RECRUITMENT CONSULTANTS)

Management Accountant

£9,000-£10,000 + car

This fast expanding private group of companies, with a £20m turnover, urgently requires a CA or ACCA (30/40 years) to develop reporting systems and controls providing information to meet the needs of management. Applicants living in or near London must have experience of computerised accounting systems, preferably gained within the construction industry, and be able to communicate at all levels. This challenging growth position will appeal to those with enthusiasm and ambition which will be rewarded by excellent career benefits. Please write with career details in confidence to Box A.6884, Financial Times, 10 Cannon Street, EC4P 4BY.

Marshalls

have several vacancies for experienced brokers in their Foreign Exchange and Currency Deposit departments. They invite applications from dealers with market experience who believe that they have outstanding ability. Apply in confidence to:-
 The Staff Director,
 M.W. Marshall and Company Limited,
 52 Cannon Street, London EC4N 6LU.



A Member of the Mercantile House Group.

Foreign Exchange Dealer

Hill Samuel & Co Limited have a vacancy for a Dealer in their early to middle twenties with at least two years' experience in spot and forward markets dealing with Corporate Clients in addition to interbank business. The successful applicant will be responsible for one or more actively traded currencies. The position offers scope for early promotion. A competitive salary will be paid together with the usual range of substantial banking benefits. Please telephone or write in confidence to:
 Mr. P. G. S. Coulson
 Senior Personnel Officer,
 Hill Samuel & Co Limited,
 100 Wood Street, London EC2P 2AJ.
 Tel: 01-628 5011.



HONG KONG Commercial/Banking and Shipping Solicitors

We need two further solicitors with minimum three years' qualified experience for our Hong Kong office. Excellent prospects in our local and South-East Asian regional practice. Salary negotiable but unlikely to be less than £14,500 per annum. Interviews in London in late August and early September.

- Solicitor with commercial and company law experience. Banking, finance and loan syndication experience would be a definite advantage.
- Solicitor with experience of shipping litigation capable of handling cases with minimum supervision.

Please write in confidence, with curriculum vitae, to:
 Mr. R. J. Davidson,
 BAKER & MCKENZIE,
 Aldwych House, Aldwych, London WC2B 4HP.

FINANCIAL CONTROLLER/DIRECTOR DESIGNATE

Eurotherm International Limited is expanding rapidly and seeks to strengthen its internal financial services to cope with future growth. We are specialists in industrial electronic systems and became a publicly-owned company in 1978. We are interested in individuals who have already demonstrated an exceptional career growth pattern, who are potential 'high fliers' and who can show experience in:

INTERNATIONAL TAXATION
 CONSOLIDATION OF INTERNATIONAL ACCOUNTS
 INSTALLATION OF FINANCIAL CONTROL SYSTEMS
 INVENTORY CONTROL SYSTEMS, MANUAL AND COMPUTERISED
 U.K. COMPANY LAW
 EXCHANGE CONTROL REQUIREMENTS

A substantial salary is offered with fringe benefits. Apply in confidence to:
 Dr. J. L. Leonard,
 8 High Street, Worthing, Sussex, BN11 1NU.

BRITISH POULTRY FEDERATION SENIOR EXECUTIVE

The British Poultry Federation, which represents every aspect of poultry production and processing in the United Kingdom, is looking for a Senior Executive to complement its existing staff resources. Preferred age is 35 to 45; experience in the following areas will be an advantage: Trade Association with Agriculture/Marketing/Statistics. Good prospects and realistic salary. Application, giving details of qualifications, curriculum vitae and names of two referees to:
 Director General, British Poultry Federation Limited,
 High Holborn House, 52-54, High Holborn, London WC1Y 6SX.

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A Career Opportunity in Securities

Forward Trust is one of the leading finance houses in the country and a member of the Midland Bank Group. Due to expansion we have an urgent requirement for an additional experienced person to handle securities for the Credit Division at our Head Office, Five Ways, Edgbaston, Birmingham.

The position involves a variety of work in connection with secured lending, including the preparation of mortgages, and close liaison with interested parties both within and outside the company. The ideal person will already have gained securities or conveyancing experience, probably from a banking, legal or building society background, and will now be looking for continued development and the opportunity for further advancement within the group.

To the person with this type of experience we will pay a starting salary of around £4,500, assistance will be given with relocation expenses where appropriate. We operate a non-contributory pension scheme and offer other benefits normally associated with a major banking group.

Candidates, male or female, should telephone or write for further information to:-

Mrs. A.E. Finney

Forward Trust Limited

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EXPORT HOUSE require Freelance Rep. on commission basis covering Middle East. Write in confidence to Box A6886, Financial Times, 10 Cannon Street, EC4P 4BY.

UK NEWS - LABOUR

Second company withdraws pay offer

BY OUR LABOUR STAFF

A SECOND engineering company has withdrawn a pay offer to the industry's unions under the threat of expulsion from the Engineering Employers' Federation.

Federation negotiators have warned that any member company which makes an offer above the proposed national level will be expected to resign. The federation is trying to contact three other member companies, which it understands may have made offers above the limit.

Union negotiators claim that at least 12 federation companies have met the national claim in full including £30 for the top skilled rate, a 98-hour week and a commitment to a 35-hour week by 1982.

Mr. Alex Ferry, general secretary of the Confederation of Shipbuilding and Engineering Unions, accused the employers of panicking over the claim. The threats of expulsion reflected this.

He said the federation had been caught "with its trousers down" during the one-day strike on Monday because it had misread the mood of the workforce.

Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, estimated that more than 100 companies had reached individual settlements.

£80 shop stewards at Rolls-Royce in Coventry have black-listed about 70 supply companies because they claim their workers did not take part in Monday's national strike.

Three hundred supply firms were warned by letter of the consequences of joining the industrial action, said Mr. Phil Higgs, engineering union convener at the Parkside plant.

"The embargo will be indefinite. Their work will not be allowed into Rolls-Royce plants in any part of the country, nor will it be handled by Rolls-Royce workers," he said.

Customs staff cuts to be reconsidered, says union

BY GARETH GRIFFITHS, LABOUR STAFF

THE GOVERNMENT is to reconsider staff cuts in the Customs and Excise service, the Society of Civil and Public Servants said yesterday after a meeting with Sir Geoffrey Howe, the Chancellor.

Miss Judy McKnight, the SCPS national officer for the Customs section, said Sir Geoffrey had indicated he thought another 1,400 posts should be phased out by April, 1982. This compared with 6,000 jobs lost if the Government implemented a 20 per cent staff cut.

The 1,400 figure falls well short of the staff cut options of 10, 15 or 20 per cent being considered in Whitehall. Department Ministers were due to have reported scopes for savings on staff by the end of last month. The issue is to be examined and decided upon in the early autumn.

The Treasury said last night,

however, that no decisions had been made about the extent of the reduction in Civil Service staff expenditure. Speculation about the size of further cuts was, therefore, premature.

The society, with the Civil and Public Services Association, has been working to rule for a fortnight and will decide today whether to lift the action which it says was the reason the Chancellor agreed to a meeting. But the Treasury emphasised that yesterday's meeting was one of a series, and not a response to industrial action.

Quality of service

The staff side from the Inland Revenue also met Sir Geoffrey yesterday. The department's staff is being cut by 2,700 posts, and union leaders were told that further reductions, to be introduced in the autumn, will lead to another 2,000 lost jobs. About 83,000 people work in the

department. Mr. Clive Brooke, assistant general secretary of the Inland Revenue Staff Federation, said the cuts would affect the quality of service offered to the taxpayer.

There were strong indications last night that a committee of London magistrates would reject a 20 to 30 per cent pay claim by nearly 500 magistrates' court staff. The staff, members of the CPSS and the SCPS, will discuss possible industrial action tomorrow. Mr. Bernard Studd, SCPS assistant general secretary, said strike action was likely.

The GLC's 19,000 white-collar staff have won pay increases ranging from 15 per cent to 21 per cent from July 1—with a further review in January. The agreement includes a revamp of efficiency schemes and a new consultative and disputes procedure.

Shotton men appeal to TUC in fight against closure plan

BY ROBIN REEVES

RESISTANCE TO the proposed closure of steelmaking at the British Steel Corporation's Shotton works is being stiffened. Workforce representatives are to travel from North Wales to London today to seek support for their stand from the TUC Steel Committee.

Union meetings this week have established that most of the Shotton workforce opposes the planned shutdown, which would result in 6,300 redundancies, rather than negotiating a severance agreement.

Only the National Union of Blastfurnacemen among the unions at the plant has yet formally decided its attitude.

Leaders of the TUC Steel Committee are to meet officials later. Although Shotton is not on the agenda, Mr. Monty Hughes, chairman of Shotton's action committee, said that they would press the union side to

raise the issue as an emergency item.

Meanwhile, Mr. Mervyn Phillips, chief executive of City of London Council, issued a statement accusing the Corporation of muddled thinking and mismanagement, and urging the Government to intervene.

He said that the Corporation had omitted to abide by pledges made in April over union consultation and there were serious doubts about its plan for the continued existence of 3,000 jobs in the non-coated, finished steel section.

Shotton needed to be treated

separately from the issue of UK steel overcapacity because of its EEC importance in the plant's finishing end.

Allegations that the corporation produced misleading figures to support the argument for the plant's closure in 1974 have been supported by two university lecturers in accounting and finance at the University of Warwick.

Dr. Robert Bryer and Mr. Terry Brignall were asked by the works action committee to look at Corporation figures given to the TUC Steel Committee in August, 1974.

Perkins lays off 3,200

PERKINS DIESELS laid off 3,200 men at Peterborough yesterday.

They have been made idle by a strike of 400 key workers who refused to operate new engineering equipment until they get a new pay deal.

The company employs 7,000 production workers and the management has warned them

that they will all be sent home by the weekend if the strike continues. Negotiations with the trade unions have broken down but the company has offered to listen to any views that might result in a return to work.

Perkins is recovering from a five-day strike over a pay claim last April, involving the complete labour force, which cost it £10m in lost production.

Unions to resist shutdown at Motherwell steel plant

BY RAY PERMAN, SCOTTISH CORRESPONDENT

UNIONS ARE to resist the closure of British Steel's Lanarkshire works, at Motherwell, which would mean the loss of nearly 300 jobs but save the corporation £3.5m a year.

Management told the unions yesterday that it wants to see the 90-year-old works close in November. About 390 men work there, but up to 100 might be found new jobs at the nearby Ravenscraig plant.

Mr. Arthur Bell, Scottish officer of the Iron and Steel Trades Confederation, said that unions had accepted the shutting of the works melting shop but opposed ending milling. It was Scotland's only heavy section mill.

The corporation said that demand for colliery arches, Lanarkshire's main product, had fallen.

Savings from the Lanarkshire closure will go some way to meeting the corporation's target of a £4m cost reduction in its Scottish division this year, but last year's £83m loss can be reduced only with modernised plant.

Ravenscraig, on which £220m has been spent, produced only the 1m tonnes of steel last year and

needs at least to double that this year to pay its way.

The idle £100m ore terminal and £60m direct reduction plants at Hunterston must also be brought into operation.

Talks take place tomorrow between the Confederation and the transport union over the inter-union dispute that has stopped the ore terminal from entering service.

ICI 12-18% pay offer accepted

MANUAL WORKERS at ICI have accepted rises of between 12 and 18 per cent. The increases go to 50,000 employees in craft and general unions and is one of the last big deals in the wage round to August.

The rate for the lowest grade is being raised by £5.31 to £84.84 and for the highest grade from £13.63 to £89.07. There are increases in shift rates and other payments.

The company is due to negotiate with scientific and technical workers and clerical and administrative staff in the next two days.

Opencast workers heed one-day strike call

BY NICK GARNETT, LABOUR STAFF

FIVE THOUSAND workers at opencast coal sites took part in yesterday's one-day unofficial strike over pay and negotiating rights, according to the National Coal Board.

Between 7,000 and 8,000 workers are employed at the NCB sites. Operations stopped on all sites in Scotland and South Wales, but some work continued in other areas, including the North and Midlands.

The Federation of Civil Engineering Contractors said the stoppage was fairly general, although it was not necessarily a sign of whole-hearted support for the action.

The opencast workers, most of whom are members of the Transport and General Workers' Union, are planning an unofficial overtime ban later this

month unless employers make substantial improvements in their offer. Further negotiations are scheduled for August 21.

General pay rates for opencast workers are governed by the national building and civil engineering settlement, but there are further separate negotiations with the open cast contractors.

The one-day strike reflects dissatisfaction that national pay rates do not relate to the relatively substantial profits in opencast work, which the union argues have been much higher than in general construction.

The workforce is seeking separate negotiating rights. National union officials are supporting the men on the pay issue, but not on demands for a separate negotiating agreement.

Rover strike rejected

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

THE 4,000 workers at Rover Solihull have rejected a call for a strike in protest at company plans to produce more cars with less labour.

From next month Rover wants to assemble 1,250 cars a week on two production lines compared with 1,150 presently made on three lines.

About 700 workers would be offered alternative employment but up to 400 jobs could be lost.

The strike call was made by a group of militant stewards. The official union representatives at Solihull have broken off plans for negotiation until national leaders can discuss the issues with BL Cars' top management.

GOLD FIELDS GROUP GOLD FIELDS PROPERTY COMPANY LIMITED

(Incorporated in the Republic of South Africa) PRELIMINARY ANNOUNCEMENT OF RESULTS The unaudited consolidated profit for the year ended 30 June 1979 is as follows:

	Year ended 30 June 1978	Year ended 30 June 1979
REVENUE	R000	R000
Rentals	1,534	1,141
Waste rock sales	264	362
Gold royalties	263	354
Profit on property and goodwill sales	298	107
Profit on sale of investments	47	112
Income from investments	204	179
Interest	302	389
Sundry	235	332
	3,147	2,976
EXPENDITURE	1,612	1,734
Administration, property and general expenses	1,157	1,231
Interest paid	450	461
Amount written off investments	5	42
Profit before taxation and extraordinary item	1,525	1,242
Taxation	542	563
	993	679
Add: Extraordinary item—see note 1 below	2,997	—
Profit after taxation and extraordinary item	3,990	679
Less:	4,529	896
Transfer to general reserve	3,916	385
Dividend declared	(613)	(511)
Retained	(539)	(217)
Earnings per share—cents	9.7	6.6
Dividend per share—cents	19.2	5.0
Times dividend covered	1.6	1.3
Net asset value per share—at directors' valuation—cents	237	159

NOTES
1. The Company's subsidiary The Luipards Vlei Estate and Gold Mining Company Limited has sold its mining title and part of the consideration received was R3 million. This amount has been lent to this Company which has invested it in equities and therefore it is not available for distribution to shareholders.
2. No profits had arisen at 30 June 1979 in connection with the exploitation of the Luipards Vlei mining title in terms of the agreement with West Rand Consolidated Mines Limited.

These results are published in advance of the annual report which will be posted to members in September 1979.

DECLARATION OF DIVIDEND

Dividend No. 118 of 6.0 cents per share in respect of the year ended 30 June 1979 has been declared in South African currency, payable to members registered at the close of business on 24 August 1979.

Warrants will be posted on or about 27 September 1979. Conditions relating to the payment of the dividend are obtainable at the share transfer offices and the London Office of the Company. Requests for payment of the dividend in South African currency by members on the United Kingdom register must be received by the Company on or before 24 August 1979 in accordance with the abovementioned conditions.

The register of members will be closed from 25 to 31 August 1979, inclusive.

LONDON OFFICE: 49, Moorgate, London EC2R 6BQ.

UNITED KINGDOM REGISTRAR: Close Registrars Limited, 803, High Road, Leyton, London E10 7AA.

8 August 1979

By order of the board, C. E. WENNER, London Secretary

Swaziland Economist

Up to £7710 (under review) plus allowances. Applicants must possess a masters degree in Economics or an equivalent qualification. Study should have included public finance and economics and some statistics. Experience of economic reporting and forecasting would be advantageous.

The successful candidate will be responsible for reviewing economic conditions in Swaziland, forecasting and monitoring the Government's budget position, advising on fiscal and monetary policy and liaising with other Government departments and international aid agencies.

He will be based in the capital of this attractive African kingdom, where many British experts are employed. Salary includes a substantial tax-free allowance (reviewed annually) paid under Britain's overseas aid programme. Basic salary attracts 25% tax-free gratuity. Benefits include free passages, generous paid leave, children's holiday cost passages and education allowances, subsidised housing, appointment grant and interest-free car loan.

The terms on which civil and public servants may be released from their present employers will be subject to agreement with their present employers. For full details and application form write quoting MCC44/FE.

Crown Agents

The Crown Agents for Overseas Governments and Administrations, Recruitment Division, 4 Millbank, London SW1P 3JD

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

COMMUNICATIONS

Terminal provides greater flexibility

ATS Communications of Haywards Heath, has developed a new telegraph-compatible visual display terminal, the Vitel II, designed as a silent, all-electronic and faster alternative to teleprinters and telex machines.

By replacing hard-wired logic with an Intel 8080 microprocessor to perform all control, editing and interface functions, the Vitel II offers new operating facilities, not the least of which is the ability to work in both 5 and 8 level code: into Baudot or the new ASCII message switching systems which are now achieving wide acceptance.

Interactive working between Vitels, or with other 5 or 8 level devices, is also possible.

In addition to British Post Office permission to connect to line, the new terminals have already received FTZ approval for connection in West Germany.

ENERGY

Combustion control

STACK LOSS measurement kit suitable for both large and small heating and processing installations can recover its cost of around £200 within a few weeks in reduced fuel consumption.

It includes an OTOX 92 compact digital oxygen analyser, stack temperature thermometer and a stack loss chart covering oil, gas and coal, and optionally, a soot density sampling pump and a soot chart for use on oil-fired installations. The kit comes complete with spares and accessories.

adjusted for maximum efficiency and safety.

Neotronics, Parsonage Road, Takeley, Bishop's Stortford, Herts CM22 6PU. 0279 870182.

Recovering the heat

BP HAS ordered a 14 MW gas turbine installation for its Gotenhburg refinery from Stal-Laval Turbin AB, Finspong, Sweden.

It will include a GT 35 gas turbine and a waste heat recovery boiler which will use the energy in the exhaust gases to produce about 50 tons of process steam per hour at 18 bar, 280 degrees C. This will be used in the refining process. The refinery will also consume about half the electrical output and will sell the surplus to the Gotenhburg municipal electricity authority.

The GT 35 turbine will normally use refinery gas as fuel, but it can burn liquid fuels as well. The waste heat boiler uses the hot exhaust gas, with supplementary firing if necessary. The complete installation will have the high overall efficiency of 75 per cent.

Crown House, London Road, Morden, Surrey, SM4 5DX. Tel: 01-543 3476.

TEXTILES

Yarns of higher quality

BETWEEN THE card, and its delivered sliver, and ring spinning there is a need for slivers to be given a blending, on one or more passages of drawing. Only in this way can really high quality yarns be produced, particularly if they are of blends with different types of fibre, such as polyester and cotton.

In recent years there have been great advances in the speeds of draw frames, but at the same time they have tended to become more complex, more sophisticated and consequently very much more expensive.

Two well-designed, and far simpler high speed drawframes have been introduced by Inavesta, Czechoslovakia (British agent: Omnipol Trading and Shipping Company (London), 34-36, Gray's Inn Road, London WC1X 9HR. Tel: 01-242 8640.) The machines are the Novpos 1 and 2 and both run with sliver delivery speeds that can be varied from 100 to 450 metres/minute.

In many respects they are similar with an ability to process natural and man-made fibres of 27 to 65 mm staple length—with process sliver from

5900 to 2360 tex and both with twin sliver delivery.

With the Novpos 1 feed is from six to eight cans which can then be positioned behind the Novpos 2 for the second stage of drawing. Whereas delivery can change on the Novpos 1 is manual, the twin delivery system of the Novpos 2 is fully automatic.

The major aspect of this new design is its comparative simplicity, high operating speed and robust construction which is directed towards long, maintenance-free operation.

Basic cost of a ready-to-use system is approximately £13,000. This includes the new VEHICL software and an ICL 1500 with input keyboard and video screen, main-store, disc storage to hold vehicle records, and a printer to produce a variety of reports.

Standard input forms have been developed for collecting the data in the required format and these streamline the operation of the system. Different forms are available, for example, to record details of new vehicles, work carried out on a vehicle, and fuel issued.

VEHICL has been designed for use by people with no knowledge of computers. Step-by-step instruction are provided on the visual display screen to assist the operator when setting up new information files, inserting operational data and obtaining reports. The latter may be produced, as required, on fuel costs, mileage run and maintenance work for each location where vehicles are based.

One report lists vehicles in descending order of costs incurred; another groups together similar vehicles into mileage bands, thus providing a profile of the average vehicle at specified ages and enabling cost curves to be built up over the "lives" of several vehicles.

ICL House, Putney, London, SW15. Tel: 01-788 7372.

DATA PROCESSING

Accelerating work flow when the load increases

TWO NEW products by Amdahl are the 470V/TA, a mid-range addition to the 470 series, and the 470/Accelerator, designed to provide users of the 470V/5 and V/5-II, as well as the new V/TA, with extra performance whenever the need arises.

Intended for customers who currently require a lower-priced high-performance machine, but who may want the option to increase capacity by upgrading to a V7 or V8 in the future, performance is approximately 75 per cent to 85 per cent that of the V7. Minimum configuration is four-Megabyte, 12 channel, and as with the V7 the system can be expanded to 16 Megabytes of memory and 16 channels.

The Accelerator provides data processing centres with the ability to meet short-term increases in demand without having expensive idle capacity over the long term. When the 470/Accelerator is activated by operator command, performance

of an Amdahl 470V/5 and V/5-II can be increased by 30 per cent to 50 per cent to the equivalent of a 470V/6 and 470V/6-II respectively. Similarly, the performance of a 470V/TA can be increased to that of a V7, representing approximately 20 per cent.

Amdahl is to make the 470/Accelerator available only on a monthly rental basis with a minimum charge for up to 20 hours, plus an hourly rate for usage beyond the minimum. A meter records the time when the system is in accelerator mode and the CPU is active.

This significant new product provides the approximate additional power of a 370/158 with a single operator console command, issued whenever the extra power is needed to handle known workload peaks such as end-of-month processing, or to deal with unexpected overloads and backlogs, or again with application growth.

It is implemented with

advanced circuitry by the simple installation of special hardware within the existing 470 system; no extra floor space or cabinets are required.

Extra processing power is turned on and off by single operator commands. Software is not affected either during transition or while in 470/Accelerator mode; jobs are not disrupted by either operator command.

Amdahl (UK), Viking House, 29-31, Lampton Road, Hounslow, Mdx, TW3 1JD. Tel: (01) 572 4312.

Aim to cut fuel costs

WITH WORLD attention focused on the need to reduce oil consumption, International Computers has introduced a low-cost array which monitors vehicle performance and pro-

vides detailed information on fuel consumption and maintenance costs.

By using "VEHICL" transport managers can readily identify individual vehicle costs, ascertain what proportion of running costs are accounted for by fuel, oil, tyres, and replacement parts, and compare the performance of different vehicles in a fleet.

Reports produced by computer will enable them to see at a glance which vehicles use most fuel and which are the most expensive to run.

VEHICL has been designed for use with the ICL 1500 mini-computer of which some 10,000 are now in use world wide. It is ideally suited to fleet operators with 30 or more vehicles and can be installed anywhere in the world. With it, paperwork is kept to a minimum; in most cases it will replace existing documentation and therefore economises on paper, copying and clerical effort.

PROCESSES

Dries print material

WASHING and drying equipment has been added to Agfa-Gevaert's "Copyproof" products, used in graphic studios and darkrooms. It ensures absolutely even image uniformity and extends the life of all diffusion transfer materials.

It is also a time-saver during the final processing steps for a variety of other materials—for instance with photographic prints.

A compact 30-kilo tabletop assembly, it quickly treats Copyproof positives to a fine line and fast drying process. Water for the unit is supplied from a bottle, so no plumbing is required. Materials are first taken through a washing bath, then between rollers which remove surplus water, and finally they pass through a drying unit where a warm air stream is directed at both sides of the sheets.

An A4 size sheet takes 30 seconds to complete the circuit into the delivery tray, travelling at about 10 mm a second.

The Copyproof WDS7 measures 80cm long (including delivery tray), 64cm wide and 35cm high.

Agfa-Gevaert, 27 Great West Road, Brentford, Middlesex.

New life for motors

PROCESSES for the rejuvenation of electric motors have been developed by Ayroder of Liverpool and a licensing agreement has been signed with an Australian company, Read's Electric of Perth, giving the company further outlets to those already negotiated in Europe, South Africa and South-East Asia.

There are two processes, already available at eight stations throughout the UK. Process 3 involves a fast and certified complete rewind for a burnt-out machine.

Process 2 employs steam cleaning and a method of applying insulation varnish, offering a completely revitalised machine while avoiding a costly rewind.

A further option, Process 1, makes use of solvents and



chemicals to restore, in a typical case, 70 per cent of a motor's insulation values by means of a fast-on-the-spot application.

More from the company at Edge Hill Works, Bridge Road, Liverpool (051-783 0881).

Mixers run longer

NOW AVAILABLE from Presto-technik UK, 176 Vauxhall Bridge Road, London SW1 (01-849 6013) are tank mixers in three types, each suitable for a specific area of duty and designed to operate for long periods.

Fixed type mixers are said to be ideal for maintaining the homogeneity of the contents of a tank, while the vertical mounted type—which are free to move within a 60 degree angle—should prevent sedimentation in crude oil tanks. A third type is designed specially for high temperature applications being tolerant of working temperatures of up to 200 degrees C—such as those that the necessary for melting bitumen.

All the mixers in the Series 70 are available in a range of sizes with power drives from 5 hp to 75 hp and impeller diameters from 400 to 914 mm.

By adopting a "standard module" method of construction, says the company, maximum interchange of spare parts is assured. Furthermore, the mechanical seal is located at the rear end of the shaft—a design which provides optimum protection and fast and easy interchangeability.

Installation and maintenance are said to be simplified by the use of a bayonet type lock which seals the mixer against the tank, a feature which allows maintenance to be carried out when the tank is full.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (1975=100). All seasonally adjusted.

	Ind. prod.	Mfg. output	Eng. orders	Retail vol.	Retail value	Unemp.	Vacs. played
1978							
2nd qtr.	110.7	104.5	96	107.9	254.4	1,267	213
3rd qtr.	111.5	105.1	102	110.7	266.6	1,336	213
4th qtr.	109.9	102.6	111	111.7	274.0	1,349	230
1979							
1st qtr.	109.1	101.4	100	110.3	276.4	1,351	234
2nd qtr.	111.4	104.2	106	110.7	275.4	1,385	231
Feb.	112.3	106.5	102	110.8	279.5	1,350	236
April	113.2	105.2	99	115.4	290.8	1,311	250
May	113.9	104.6		113.5	288.2	1,307	257
June				120.3	309.2	1,280	262
July						1,279	253

OUTPUT—By market sector, consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (1975=100), monthly average.

	Consumer goods	Invest. goods	Intmd. goods	Eng. output	Metal mfg.	Textile mfg.	Hous. starts
1978							
1st qtr.	105.3	98.8	116.2	99.8	96.5	98.0	17.8
2nd qtr.	108.1	97.3	122.3	99.6	107.4	101.0	27.1
3rd qtr.	108.2	99.5	122.3	109.6	101.2	103.7	22.0
4th qtr.	105.3	96.5	123.5	96.6	97.6	101.2	20.2
1979							
1st qtr.	103.8	98.4	125.5	98.2	97.8	97.3	12.8
Jan.	99.0	92.0	117.0	92.0	97.0	93.0	10.1
Feb.	105.0	102.0	130.0	101.0	102.0	98.0	12.7
March	108.0	101.0	130.0	102.0	114.0	101.0	13.6
April	107.9	101.0	129.0	101.0	104.0	99.0	15.0
May	107.0	99.0	133.0	99.0	110.0	99.0	15.3

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US\$bn
1978							
2nd qtr.	122.2	109.7	-125	+208	-414	104.9	16.73
3rd qtr.	124.8	114.9	-109	+194	-501	106.1	16.53
4th qtr.	124.5	112.3	-123	+149	-480	106.9	15.77
1979							
1st qtr.	119.2	113.3	-141	-787	-237	107.7	16.78
2nd qtr.	134.2	129.0	-552	-231	-210	108.0	21.69
Feb.	100.7	117.0	-166	-638	-78	108.1	16.62
March	117.2	115.7	-185	-158	-97	107.4	17.45
April	128.4	127.2	-112	-217	-114	108.9	22.47
May	133.6	127.5	-66	-75	-54	108.0	21.53
June	140.7	132.0	-8	+61	-42	107.1	22.07
July							22.49

FINANCIAL—Money supply M1 and sterling M2, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; H.P. new credit; all seasonally adjusted. Minimum leading rate (end period).

	M1	M2	Bank advances	DCE	HS	HP	MLR
1978							
2nd qtr.	10.1	15.0	24.5	+2,500	694	1,506	10
3rd qtr.	12.3	17.2	26.5	+691	646	1,559	10
4th qtr.	15.1	13.0	26.6	+1,875	878	1,584	12
1979							
1st qtr.	7.2	10.1	22.6	+1,629	777	1,592	13
2nd qtr.	9.7	16.7	28.4	+2,594	777	1,598	14
Feb.	17.6	20.6	22.9	+1,089	231	532	14
March	7.2	10.1	22.6	+263	287	526	12
April	14.6	17.4	19.3	+846	343	666	12
May	12.9	13.2	20.8	+418	283	585	12
June	9.7	16.7	28.4	+818	125	661	14
July							

INFLATION—Indices of earnings (Jan. 1978=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1962=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings	Basic materials	Wholesale mfg.	RPI	Food	FT	Comd. Strg.
1978							
2nd qtr.	129.9	146.2	151.8	185.3	208.2	242.27	61.5
3rd qtr.	132.2	144.9	152.6	189.2	208.2	252.74	62.4
4th qtr.	136.4	147.1	152.3	202.8	208.0	257.69	62.7
1979							
1st qtr.	140.2	162.2	161.6	208.5	218.2	289.53	64.1
2nd qtr.	141.1	183.5	181.7	208.9	218.7	287.36	62.7
March	142.7	183.6	183.2	210.6	228.2	288.83	63.0
April	144.3	188.4	185.5	212.2	231.6	277.11	65.9
May	146.5	181.9	187.7	215.9	234.0	278.20	67.4
June	148.5	184.5	170.3	219.6	230.9	282.55	63.5
July	148.7	174.5				278.92	72.1

* Not seasonally adjusted. † Reserves: new revised annually, new estimates.

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	Workforce in 1978	Turnover in 1978
FINANZIARIA E. BREDA	6,000 units	261 billion
BREDA FERROVIARIA	19,000 "	563 "
INSUD	1,000 "	25 "
MCS	19,000 "	950 "
SOPAL	2,000 "	147 "

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TRENDCOM 100 is an intelligent printer for the Apple and Pet personal computers, costing £243, plus £49 for the interface.

It is a high performance serial dot matrix unit with a printing speed of 40 characters per-second and full 86 ASCII character set.

The unit has full line buffering and "directional look-ahead" ability. After one line has been printed from left to right, the microprocessor examines the next line and then moves the print head to the last character on that line, printing from right to left.

Large legible characters are printed in a 5.7 dot matrix at 10 characters-per-inch. Print head and roller are the only moving parts, controlled by two DC stepping motors.

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THE MARKETING SCENE

Comparative advertising: Is it honest? Does it work? When to knock and not to

BY MICHAEL THOMPSON-NOEL

SHALL I COMPARE thee to a Volvo, an Audi, or the Fiat 127? To Qantas, or Lufthansa, or TWA?

One of the most vigorous debates in marketing concerns the use of comparative advertising. Is it honest? Is it ethical? Does it work? Those who dislike it say that comparative advertising—making direct product comparisons and unashamedly naming names—could turn the advertising business into a "carnival bazaar" name-shouting gallery, noisy, unproductive and unprofessional.

In Britain, where comparative advertising at present probably accounts for only 1 or 2 per cent of total advertising expenditure, the practice is perfectly legal though severely restricted, both statutorily and by the advertising industry's own voluntary controls.

In the U.S., where comparative ads may account for up to 10 per cent of all advertising expenditure, restrictions are far less in evidence. The Federal Trade Commission likes it, saying that if comparative ads foster a jungle mentality in the marketplace, the consumer is almost bound to benefit.

The FTC recently warned the U.S. advertising profession that it would challenge any advertising code that restrained comparative advertising. It said that the restrictive use of voluntary rules "against 'truthful disparagement' in ads would invite attack, and said that standards of substantiation for comparative advertising claims should be pitched not one jot higher than those for non-comparative ads.

A succinct guide to the general debate is provided by Richard Block of Ogilvy-Benson and Mather in London, writing in the latest edition of O&M's planning and research bulletin.

Why all the fuss? he asks. After all, most advertising strategies aim to create the impression that the advertiser's brand is superior to the competition. However, comparisons with the ubiquitous brand X or with rival product categories

—Sucron looks like sugar, tastes like sugar yet only gives you a quarter of the calories of sugar—excite no controversy. It is only when advertisements explicitly name rival brands that comparative ads become controversial, says Mr. Block.

He discerns two basic techniques—knocking copy, such as the Volkswagen Polo claiming superiority over the Ford Fiesta without offering supporting evidence; or "coat-tailing," where an advertiser seeks to upgrade the reputation of his brand name by comparing it with a better-known or much more expensive competitor, or a higher order of product altogether, saying: "We are the Rolls-Royce of washing machines, calculators, razors, lawn mowers, etc."

Attitudes to comparative advertising vary enormously. It is permitted in the UK, U.S. and Scandinavian countries, for example, but in France, Belgium, Italy, Spain and Austria there is outright prohibition or severe restriction.

The usual reasons for prohibition are that comparisons in ads are fundamentally malicious; unfair; deceptive (because they do not make all the relevant comparisons) and misleading (particularly where they use the trademarks of rival companies).

In Britain, the main basis of legal restrictions on comparative advertising is the Trades Descriptions Act, which apart from guarding against false and misleading consumer information, was designed to prevent abuse of a firm's trademarks or business goodwill.

When it comes to voluntary controls, the Code of Advertising Practice permits comparative advertising in the interest of "vigorous competition and public information," but lists several conditions. There are similar restrictions on the use of comparative advertising on television; for instance, it must be based on "irrefutable factual evidence" and offer "a comparison which is significant in consumer terms."

"Whatever the legalities and voluntary restrictions," says Mr. Block, "many advertisers and agencies regard this form of advertising as ungentlemanly and abrasive. But comparative advertising is legal within certain constraints, so the question to ask is... does it work?"

The answers provided by consumer research are to date far from unanimous. OBM research in New York indicated that there were no positive advantages inherent in the comparative approach. In London, OBM last year conducted research into comparative advertising in the car market, the type of market where it can be most usefully employed; a high-risk decision area where buyers make careful brand comparisons, a non-comparative ad for the Volkswagen Polo scored best on all the measures of advertising effectiveness monitored by the researchers when ranged against two comparative ads (one substantiated, the other not) for the same car.

However, many consumers are attracted by the notion of comparative advertising, says Mr. Block (they find it "more useful," "more believable") and its use is growing. Among cars it has been very widely used. Among airlines, Iran Air has tried coat-tailing, while in the last U.K. general election, the opening poster in the Conservatives' campaign, headlined "Labour Isn't Working," produced a celebrated example of the aggressive, unsubstantiated knock in which the client-product itself, the Conservative Party, barely got a mention. Zanussi has used it for dishwashers, and comparative ads have even made an appearance in the golf ball market.

According to Mr. Block: "The technique is certainly gaining ground. Where next? Looking at the U.S. as an example, you begin to see the potential number of products and services which could use comparative advertising." In U.S. print media, both high- and low-risk product categories use comparisons. Cars are still the leaders, but jolting them are

cigarettes, banks, copying machines, insurance companies, headache remedies and drinks. On TV, drugs, food and beverages, cleaning products, toiletries, cameras, electrical goods, airlines, credit cards and even spaghetti sauces are climbing merrily on board.

Comparative campaigns may be most appropriate, says Mr. Block, where a company is introducing a new product, or owns only a small share of market, or in the case of low-budget brands. In all cases the product is more likely to benefit from coat-tailing than from outright comparative attacks.

But Mr. Block makes a slip or two when detailing other cases where a comparative approach may be suitable. "If a competitor is using comparisons against your brand," he says, "then it is often necessary to refute their claims with effective counter-claims. This can get a hit out of hand, because if too many ads in a specific product category are comparative in nature, then it is likely the efficiency of all campaigns will be minimal, as consumers will become less sure about who is exaggerating and who is telling the truth." (Exaggerating? Telling truths? Whatever next?)

Mr. Block makes another slip later on when warning against the use of knocking copy if your product has no identifiable and demonstrable advantage to consumers. Really, one begins to wonder what is going on.

In summary he says that the climate for comparative advertising has improved; that its use is on the increase, partly because of lessening restriction, partly consumerist pressure from a recession-conscious public; and that as to moral and ethical considerations, comparisons, when used responsibly, can benefit both consumers and advertisers.

All of which is fine, so long as the latter, when conversing with the former, remember their oft-proclaimed love of that magic ingredient: the blue whiteness of truth.

The Thinking Rich

When the top people went into a spin recently some of them whirled our way it's true. But they still wouldn't account for the fact that our readership is now 1 1/4 million and growing.

And it certainly wouldn't account for the profile of our new readership. More of them are college-educated than any other newspaper's readers. They spend an average of three-quarters of an hour reading The Guardian each day. And 85 per cent of them are ABC1—which is a better percentage than the FT or Telegraph can offer.

In other words, they think and they've got money to spend. Have you got anything you'd like them to think about spending it on?

(Sources: NRS and Guardian Readership Panel)

THE GUARDIAN

119 Farringdon Road, London EC1R 3ER. 01-278 2332.
164 Deansgate, Manchester M60 2RR. 061-832 7200.

Scotch on the rocks

CAN ADVERTISEMENTS be worthy artifacts as creative souls maintain? If so, the distinguished portrait on the right is already a collector's item. You can see it on billboards still, but by the end of the year it will have gone because the client, White Horse Distillers and its agency of five years, French-Crittenden Osborn, have fallen out, writes Michael Thompson-Noel.

The portrait is called Scotch and American, one of a series produced by FCO in a campaign for the White Horse brand that started last June. There is no brand name or exhibition sign, of a Scotch bottle, no glimpse of a glass—just the famous White Horse, accompanied by a U.S. basketball player, to denote that Scotch mixes well with American dry ginger. (Other ads in the series are entitled "Double Scotch, Scotch and Water, and so on.)

At the heart of the split is a belief that White Horse Distillers has suddenly developed cold feet over the artistic fate of the current campaign and wants to "haul back the bottle," though no agency-client split can be as simple as that.

The campaign has made considerable impact and won a roomful of prizes, which explains the agency's shock last week when it was asked to repitch for the £500,000 White Horse account alongside rivals. FCO says it received no prior warning, though there had been "mutterings" about the missing bottle since the start of the year, when White Horse appointed a new managing director. The agency has declined to represent for the account, preferring to rest its case on five years' work. It seems certain to lose.

The agency won the account from KMP, which had developed the theme, You Can Take a White Horse Anywhere. To



SCOTCH AND AMERICAN

short brand shares in the whisky market takes a very long time," said Mr. Crittenden this week. "Probably years. The basic brief was to develop a new theme. We were told: 'Do what you like, but leave out the horse,' so what we developed was basically a bottle-and-glass campaign."

Then, during the EEC up-

Lester Bookbinder. The public liked them: one French tourist wandered into the agency and asked for a 48-sheet poster (approximately 20 ft x 10 ft) of Scotch and Gloger for her apartment in Paris. The trade liked them. And sales rose sharply. White Horse expects to sell more than 1m cases in Britain this year, though because of upheavals in the market it is impossible to determine what role the campaign played.

However, White Horse itself apparently possesses research indicating a lack of comprehension in consumers' minds.

Alan Ramsay, the White Horse advertising manager, said this week: "There is obviously more to agency-client relationships than what appears on hoardings or in print. We do not make hasty decisions. We were not greatly at variance as to the future of this campaign, but there were differences of opinion and attitude that we found impossible to resolve."

At present there is an FCO poster in the Crownwell Road in London that has been "adapted" to incorporate a White Horse bottle. But the agency maintains that the current campaign is exactly on key. "This campaign needed two to three years," says Mr. Crittenden.

Not all agency professionals like the campaign. According to one managing director: "It's indulgent." Another: "You must never condescend to the brand."

For FCO, which in losing White Horse will lose one-tenth of its billings, the sudden thumbs-down has proved a very painful shock. "You'd be surprised what other agencies are doing to win this account," said an FCO director. "They are churning out bottles and glasses. There are plenty of whores in our business."

Schreiber goes the independent route

GEC SCHREIBER is switching £2m worth of advertising out of the McCann-Erickson group and is to handle it internally, with the help of specialist media and creative consultants. This is the biggest transfer of business away from a full-service agency and into the independent sector since the start of the year, when changes in agency recognition agreements gave clients a wider choice of options on media buying and agency remuneration.

However, Leo Martin, GEC Schreiber's marketing director, said yesterday the decision to opt out of McCann was hardly influenced at all by financial considerations.

"Handling our own campaigns is something we have never tried before. We may be able to do as

good a job ourselves, or even better. We don't know whether it will succeed, but we'll give it a try."

The brands involved include Schreiber furniture, Hotpoint fridges, washing machines and dishwashers, and Morphy Richards irons and toasters.

● AIRFIX PRODUCTS' account, expected to be worth £750,000 next year, has gone to Fletcher Shelton Delaney.

● MARKET AND OPINION Research International is launching a new omnibus survey for companies and agencies wishing to measure the effectiveness of corporate advertising.

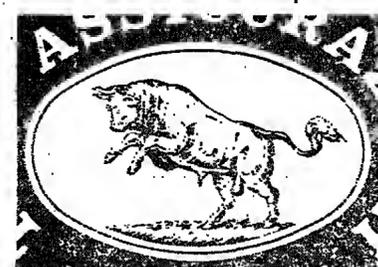
● WOOLWORTH is spending more than £100,000 via ABM on the first national poster campaign by a British retailer.

It pays to answer back

Air Call will answer your telephone in the way that you want, whenever you want, 24 hours a day, 7 days a week.

Another Air Call communication service. Say hello. Ring FREEPHONE 2222 via a local telephone to contact your local control centre.

AIR CALL communications services



GROUP HIGHLIGHTS		132,619.18
IN \$ DOLLARS IN THOUSANDS		
CAPITAL AND FREE RESERVES		500,420.68
WRITTEN PREMIUMS		826,521.95
TECHNICAL RESERVES		776,425.38
INVESTMENTS		52,702.14
INVESTMENT INCOME		11,042.18
GROUP NET PROFIT		



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OMBARD Half-hearted indexation

EVERYONE wants to see earnings insulated against inflation... The Government's motivation is obvious enough.

Not needed Last year the Government had written in a similar provision which had not been needed.

Autumn strife The Government has chosen to consult neither employers nor trades unions over its proposals in a take-it-or-leave-it attitude.

Public sector employees are excluded. So are workers in buy-making companies...

Rotting potatoes and unkept promises

AFTER six and a half years of arbitration and litigation the case of the Rotten Potatoes has been finally resolved in the court of Mr. Justice Robert Goff.

The Master of the vessel agreed to this only after Dr. Fawzi's brother promised that he would provide a surveyor's certificate that the tight storage of 1,400 tonnes of potatoes was satisfactory.

This promise was not kept. Neither a surveyor's certificate nor a guarantee had been provided in writing at the time the ship set sail from Alexandria in 1970.

In the course of loading a dispute occurred between the Master of the ship and a brother of Dr. Fawzi who was acting as his agent in Alexandria.

These circumstances even the possibility of claiming damages on the grounds of improper stowage might seem outrageous. This, however, was not the view taken by Dr. Fawzi.

Dr. Fawzi claimed that the shipowners were in breach of clause 49 of the charterparty and, in particular, that there was no damage under the potatoes, that ventilation channels were inadequate and that the draft vents in the ship

were so positioned that they did not provide adequate ventilation. Surprisingly, the shipowners' first line of defence was not that the stowage had been carried out on the instructions of Dr. Fawzi's agent.

In the end, after 10 days of hearing, the scientific evidence, the arbitrators cut the experts short and concluded that the damage was two-thirds due to bad stowage and one-third to the excessively high temperature of the potatoes.

just had his mind not confused by too much legal knowledge. The case was sent back to the arbitrators who now had no choice but to reject the claim of Dr. Fawzi.

The shipowners, who were ordered to pay about £14,000 to the charterers, then applied by way of the special procedure to the High Court, but Mr. Justice Kerr upheld the award of the arbitrators on both points.

The arbitrators found also that Dr. Fawzi's brother acted as his agent in giving loading instructions but they held that, nevertheless, under clause 49 of the charterparty the responsibility for the stowage rested with the shipowners.

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

Buckland to beat Busting

GINISTRELLI (U.S.) duly won his debut in the Cliff Park Stakes at Yarmouth yesterday but few could have anticipated his starting price of 14.

I particularly like the chance of Buckland who tackles a mile and three-quarters for the first time in the Chester Handicap.

Val de Gloire, who recently on this course won his first and only race by six lengths, has secured away all but Jubilee Bill.

Although he did not feature in the finish yesterday, Wolfe Cub is another we should hear a good deal more of.

BRIGENTON

2.00-Pontenites 2.30-Siren Call 3.00-Effect 3.00-Woolcane 4.00-Titling** 4.30-Lux Ray

YARMOUTH

3.15-Glenborne 3.45-Buckland** 4.15-Val de Gloire* 4.45-Thilda

RACING

BY DOMINIC WIGAN

THE FOLLOWING TIMES:

- 6.40-7.55 An Open University ultra high frequency only... 11.00 Play School... 11.00 Open University...

F.T. CROSSWORD PUZZLE No. 4043

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

- ACROSS 1 Heavenly body has nothing to reach... 4 ... candidate who prints AA incorrectly (8)...

- DOWN 1 Unfriendly card game in wintry spell (4, 4)...

WOMERSACK ANNOU... SHARPLENDOW... SHARPLENDOW... SHARPLENDOW...

THEATRES

ADRIAN THEATRE, CC 01-936 7611... THE SHREK HOLMES MYSTERY... HER MAJESTY, CC 01-930 6666...

THEATRES

ADRIAN THEATRE, CC 01-936 7611... THE SHREK HOLMES MYSTERY... HER MAJESTY, CC 01-930 6666...

THEATRES

ADRIAN THEATRE, CC 01-936 7611... THE SHREK HOLMES MYSTERY... HER MAJESTY, CC 01-930 6666...

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ENTERTAINMENT GUIDE

OPERA & BALLET

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THEATRES

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ADRIAN THEATRE, CC 01-936 7611... THE SHREK HOLMES MYSTERY... HER MAJESTY, CC 01-930 6666...

THEATRES

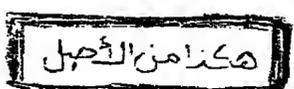
ADRIAN THEATRE, CC 01-936 7611... THE SHREK HOLMES MYSTERY... HER MAJESTY, CC 01-930 6666...

THEATRES

ADRIAN THEATRE, CC 01-936 7611... THE SHREK HOLMES MYSTERY... HER MAJESTY, CC 01-930 6666...

THEATRES

ADRIAN THEATRE, CC 01-936 7611... THE SHREK HOLMES MYSTERY... HER MAJESTY, CC 01-930 6666...



THE ARTS

New York

Operas in concert by ANDREW PORTER

New York's "official" opera season is short: 30 weeks at the Met, and two 10-week seasons, in spring and autumn, at the City Opera. So the repertoire is small, and concert performances take on an added importance.

Earlier in the season, Queler brought to Carnegie a Tristan with players of the National Opera Orchestra Workshop that she directs in the summer, at the University of Maryland, to introduce young instrumentalists to the techniques and joys of playing for opera.

It can get from glamorous acting and captivating scenery. It was a loud performance: the octaves of the "Erde Und Nacht, Mond-und Meer" invocation became a demonstration that the Finnish tenor Matti Katusi could drown Gwyneth Jones on the stage, but that above it she could make even more noise than he could.

by Elaine Bonazzi, gives it some continuity. I recall a very pretty nightingale air sweetly sung by D'Anna Fortunato, a capital aria for Pharnaces on Four Seasons material; and an excellent simile aria. It's not on the level of L'Olympiade, Tito Manito, or Orlando, the recorded operas of Vivaldi's tercentenary year brought up—or at any rate, in this performance it didn't sound it.

Music Society, was a highlight of the season. Felicity Palmer made her New York opera debut as the Crusader, taking over at short notice from Frederica von Stade, who suddenly cancelled. Bold but inspired casting. This Belinda, Pamina, and Elvira suddenly revealed herself as a potential dramatic soprano, one who may in time follow the Lilli Lehmann path to Norma and Isolde while continuing to sing Violetta, Fiordiligi, and the Handel heroines.



Donald Sinden

Leonard Bur

Royal Shakespeare Theatre

Othello by B. A. YOUNG

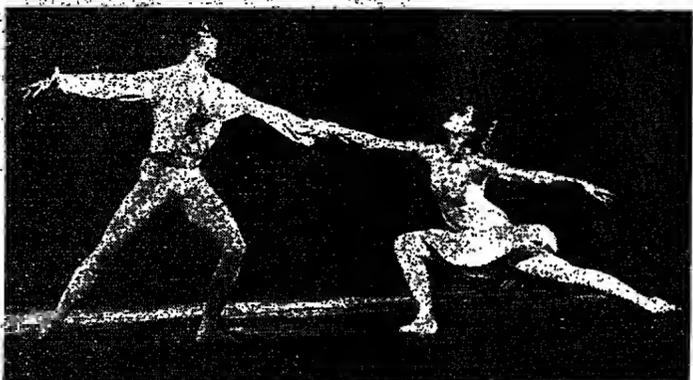
The bustle of campaigning activity lights up the beginning of this exciting production. Othello may be having difficulties with his staff, yet he is fighting the Turks, or, having beaten them with the help of a convenient tempest, is still busy fortifying Cyprus against any renewal of hostilities.

always credible in her difficult situations. I cannot, alas, say the same of Donald Sinden's very light brown Othello, who might have strayed into this working world from a stained-glass window. If figures in stained glass could speak, they would speak as he does — self-conscious oration, barely distinguishing "Barbed" words from the imminent deadly breath "from 'Soft you, a word or two before I go' as long as the vowels are well rounded and the consonants sharply cut.

pillow. And throughout the evening there is the splendid playing of Bob Peck as Iago, perfectly in his first encounter in Scene One with John McEnery's comically pitiful Rodrigo — cynical, ambitious, ruthless. He has become an ensign rather than an ancient, incidentally, a sensible change. A man like this is bound to overcome a gentlemanly Cassio such as James Laurinsson gives us; but Cassio's last appearance, walking with a stick after Rodrigo's absurd assault, suggests an innate incapacity for command.

Atherton appointed

The Royal Liverpool Philharmonic Society has appointed David Atherton, 55, founder of the London Sinfonietta, principal conductor and artistic adviser from September 1 next year.



Karen Kain and Frank Augustyn in Jago and Schaufuss

Covent Garden

Jago and Schaufuss by CLEMENT CRISP

In a kinder world it might be possible to gloss over some of the activities in Tuesday's triple bill by the National Ballet of Canada, and praise the good things with no backward glance at the less happy moments. The good things were good indeed: a pretty and ingratiating performance of "Kesteven" closed the evening, and in the opening Boydorch Mary-Jag and Peter Schaufuss showed how things should ideally be all the way through the production.

ness to her dances, very pure in stating the choreography, phrasing, sweetly, and looking at all times like a ballerina aware of the emotional world that the Bayadere inhabits. In sum, a true, poetic interpretation.

a French-Canadian novel, it has a narrative so lurid that it could keep several television soap-operas bubbling for weeks. It goes much, much too far, and its favour can be sensed from a cast that contains "Louise, an aging narcissist," her mentally retarded nine-year-old son, whom I think gets drunk and who certainly uses a horse-whip—though not to avenge his mother's honour after she has been seduced by an admirer with co-respooded shoes and a nasty temper.

Coliseum

The Valkyrie by MAX LOPPERS

Tuesday's Valkyrie, though it shared with The Ringgold the previous evening the virtues of sanity and sobriety, revealed more clearly Charles Groves' deficiencies as a Wagner conductor. The second part of The Ring is the richest and fullest in depiction of human emotions; the debate of mighty issues is deepened by profound and glorious sympathy for its principal participants. Emotional profundity was conspicuously lacking in this account of Act I, a long haul indeed when taken at tempo of Goodall-like breadth without the all-embracing Goodall vision to underpin them.

an excellent cohort of warrior maidens (among whom the power and purity of Angela Gheorghiu's performance is particularly impressive) put life into the third act, a life which was sustained to the end. The tone began to flow in Wotan's Farewell; Mr. Bailey was again his former self, at once ruggedly human and credibly god-like.

The Greewich Theatre's splendid revival last year of Mr. King's See How They Run revealed that play to be a spell-binding, fantastical farce. Here, the development of incident is less outrageous, but no less assured or amusing. Hugh Goldie's solid production misses many of the laughs, and Stella Moray as Emma does not possess the devastating presence the part requires, but otherwise the casting is impeccable. Roy Ryan and Ian Masters could not be bettered as the sailors. John Rutland is excellent as the worm of a husband straight out of Donald McGill, and Marcia Ashton is splendidly obsequious as the sisterly skivvy.

Gaskill returns to Royal Court

On September 5 the Royal Court Theatre in London produced the world premiere of Nicholas Wright's The Gorky Brigade directed by William Gaskill, designed by Eamon D'Arcy, with costumes designed by Ppny Bradshaw and lighting by Andy Phillips.

Gaskill's return to the theatre where he spent his most creative years. He joined the English Stage Company in 1957 and became its second artistic director in 1965. His productions at the Court include: Epiphany for George Dillon, One Way Pendulum, Munchet, Three Sisters, Lear and The Sea.

Theatre Royal, Windsor

Sailor, Beware!

by MICHAEL COVENEY

There is a good case to be made nowadays for the suspicion that Philip King and Falkland Cary were the best writers of English popular comedy before Ben Travers and Alan Ayckbourn. This evergreen piece hit London in 1955, making Peggy Mount a star overnight and running for three years. Its status as a repertory stalwart by no means diminishes its inherent qualities, which are of construction, solid character portrayal and deliciously fleet-footed dialogue.

The scene is a living room in "a small inland town," where the gargantuan Emma Hornett presides over a down-trodden, ferret-keeping husband, a highly strung sister nursing "the great sorrow" of never having been married, and a daughter about to join forces with a sailor. The sailor, Albert Tuffnell, arrives with a virginal side-kick ("I have never done anyone damage in my life") who is paired off with Emma's flighty niece, Daphne Pink. After sniping a bitious stag night with Mr. Hornett, the jolly tars bed down for the night on a convertible sofa in a scene of hilarious sexual ambiguity. Young Shusley supposes that Albert will be thinking of her, to which the reply, as he snuggles uncomfortably against his friend, is "I hope to keep my imagination well under control."

Once the National have done their duty by Maughan, Priestley and, presumably, Rattigan, they are being doing the public a real service by having a look at King and Cary. They deserve better than the relative oblivion of village halls and seaside piers, and Windsor's revival of this hugely enjoyable and popular comedy could pave the way.

OBITUARY The President, The Members of the International Federation of Stock Exchanges 22 Boulevard de Courcelles - 75017 - Paris Regret to have to announce the death of their Secretary General Monsieur Paul de Sercey They express their sincere condolences to the family

ART GALLERIES

- AGNEW GALLERY, 43 Old Bond St., W.1. 01-629 4178. PERSIAN MINIATURES. An exhibition of Persian miniatures from the Houghton Museum, until 24 August. Mon-Fri, 10.30-5.30, Thurs. until 7.
FIELDWORK GALLERIES, 506 3000, CONTEMPORARY ARTISTS OF THE ENGLISH SCHOOL.
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GOLD FIELDS GROUP NEW WITWATERSRAND GOLD EXPLORATION COMPANY, LIMITED

Table with financial data: Preliminary announcement of results. The unaudited consolidated profit for the year ended 30 June 1979 is as follows: Year ended 30 June 1979, Year ended 30 June 1978. Income from investments, Profit on realization of investments, Other income, Deduct: Administration, prospecting and general expenses, Amount written off investments, Profit before taxation, Less: Taxation, Minority shareholders' interest, Profit attributable to members, Transfer to investment reserve, Unappropriated profits, Dividends declared, Interim 8.0c (6.0c), Final 16.0c (10.0c), Retained, Earnings per share—cents, Dividends per share—cents, Times dividends covered, Net asset value per share—cents.

DECLARATION OF FINAL DIVIDEND

Dividend No. 57 of 16.0 cents per share in respect of the year ended 30 June 1979 has been declared in South African currency, payable to members registered at the close of business on 24 August 1979. Warrants will be posted on or about 27 September 1979. Standard conditions relating to the payment of dividends are obtainable from the share transfer offices and the London Office of the company. Requests for payment of the dividend in South African currency by members on the United Kingdom register must be received by the company on or before 24 August 1979 in accordance with the above-mentioned conditions. The register of members will be closed from 25 to 31 August 1979, inclusive. LONDON OFFICE: 49, Moorgate, London EC2R 6BQ. UNITED KINGDOM REGISTRAR: Close Registrars Limited, 803, High Road, Leyton, London E15 7AA. C. E. WENNER, London Secretary, 8 August 1979.

FINANCIAL TIMES

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Thursday August 9 1979

Oil benefits re-counted

THE NORTH SEA... is expected to contribute very much more to the balance of payments than to the national income.

Explanation

On the face of it, the statement that any accretion of real wealth can contribute more to the balance of payments than to national income is absurd.

First, the Treasury adds back foreign capital inflows which go to pay for imported equipment for the North Sea to get a net impact on the balance of payments.

Valuation

The second discrepancy arises over the valuation of North Sea gas. In the national income accounts, this gas is valued at the price actually paid for it.

OPEC's help is needed

THERE IS a striking contrast between the behaviour of the OPEC states towards the non-oil-producing developing countries after the 1973-74 oil price rise and the actions they have taken this year, during which oil prices have already gone up by more than 60 per cent.

No discounts

So far this year, however, there have been no public commitments of additional OPEC aid to developing countries. Only one state, Iraq, has publicly produced a schedule for compensating its poorer customers for surcharges on the price of its oil imposed between June 1 and the end of the year.

Massive problems

These arguments would be easier to sustain if the OPEC countries were raising the oil price in a measured and orderly way. This year's increases, however, their steepness and in their suddenness, will cause massive problems for developing countries which will be compounded by the recession now facing the industrial states.

A FEW years ago Australian businessmen used to blame Britain for passing on the infectious economic virus known as the "English Disease."

Australia has experienced a rash of headline-gaining industrial and public service labour disputes this summer making it, at least in terms of the amount of newspaper column inches devoted to the subject, the most strike-ridden country in the developed world as far as industrial relations are concerned.

In terms of the number of workdays lost through strikes, Australia's medium-term record is better than that of the U.S., Canada or Italy and only a shade worse than Britain's. Average losses from strikes during the three years from 1976 to 1978 came to 1.8m working days, or slightly less than one-third of a day per worker per year.

Disturbing trend

The other point is that — even according to the statistics — strikes have been getting much more frequent and far more damaging in recent months. There was a 50 per cent rise in the number of days lost through industrial action in the seven months ending last February (compared with one year earlier).

Stoppages in the public service (including those by civil servants working for the Federal Government in Canberra) became so numerous by mid-July that the Government took the drastic action of "pre-claiming" a special law, the Commonwealth Employees (Employment Provisions) Act, authorising the suspension or ultimate sacking of strikers and the "standing down" (ie temporary suspension) of government employees who do not go on strike but whose work is affected by stoppages of colleagues.

The main issue in nearly all the recent stoppages has been wages, not management policies or demarcation disputes. This indicates, say the experts, that organised labour is losing faith in the Government's ability to beat inflation and in the effectiveness of the wage indexation system — a system of gearing wage rises to recent increases in the cost of living index which

Australia's plague of damaging strikes

By CHARLES SMITH



MALCOLM FRASER Votes in the labour issue

is presided over by the (theoretically) non-partisan Australian Conciliation and Arbitration Commission.

The wage indexation system was introduced in April 1975 as one of a number of measures designed to end the wage chaos experienced by Australia in 1974, when work stoppages hit a record 6.3m man-days and wages rose by over 35 per cent.

The commission noted this fact in June when it announced its latest award setting wage increases for the second half of 1979 at 3.2 per cent or 80 per cent of the cost of living increase recorded between October 1978 and March 1979.

In claiming that inflation could be about to start eating into the real value of the wage increases the unions are certainly not exaggerating. The official figure for the year-to-year increase in the cost of living at the end of June was 8.8 per cent, almost the same as the previous year's figure, and contrasting with the Government's earlier target of cutting back price increases to 5 per cent by mid-1979.

The year-to-year rate of increase in the cost of living index is expected to show a sharp rise at the end of this year as the price of oil, which was decided on by OPEC at its July meeting, work their way through to the domestic oil products market.

The December cost of living index will be published just after the commission announces its next guideline award (for the first six months of 1980). Given the anticipated rise in the cost of living, however, the commis-

sion's award will probably have to be on the generous side if it is to have any chance of acceptance by the unions.

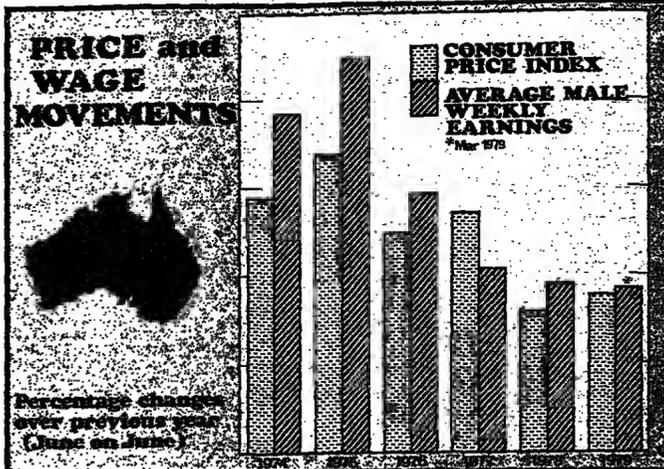
A remarkable feature of the current trial of strength over wage rates is that the bargaining power of the unions has not been affected visibly by unemployment levels. Unemployment in Australia is currently running at just over 6 per cent of the registered labour force which is the highest since the cessation of the 1930s and contrasts with unemployment levels of 2 per cent or less that prevailed up to 1974.

Unskilled workers and young people (whose unemployment rate is an estimated 17 per cent) are a drag on the market, but skilled workers are still in short supply and people performing essential tasks, such as telecom operators, dockworkers and even airline pilots and doctors, have become adept in the recent past in using their positions to extract wage increases.

On site tactics

In essentially non-skilled sectors such as the construction industry, union leaders have managed to develop tactics which have forced employers to make concessions, even where labour is theoretically in considerable surplus.

Wage increases granted to skilled (or particularly aggres-



Percentage changes over previous year (Change over 1978)

National Shipping Line has 12 individual unions, Qantas, the national airline, has 22, and the national telecom system (scene of a particularly damaging strike earlier this summer) has 27. The Hamersley iron ore mining concern has a relatively modest nine unions.

In the ports, the hardline Waterside Workers Federation used to include a majority of dockworkers in its membership, but is now competing, because of technological advances such as containerisation with some 10 to 12 other unions.

Under the Labor Party Government of 1973-1975 an attempt was made to solve this problem by passing a law which allowed unions registered with state arbitration commissions to be registered with the Federal Commission as well (and vice versa).

The same point seems to have occurred to the ruling Australian Liberal Party for whom the union issue is a possible lifeline. The Liberal Party has been trailing badly in recent public

opinion polls, with its leader, Mr. Malcolm Fraser, trailing even more. Party managers evidently feel that they may be able to recover some lost support if they can convince the public that the Government is doing a good job in handling labour issues and if organised labour can be shown up as "disruptive".

Mr. Fraser referred in particular to the powerful Metal Workers' Union (active in the Hamersley dispute) which he described as "Communist dominated in much of its leadership and with an income of anything up to \$20m a year."

In hitting out at the unions in general and at Communist union leaders in particular, Mr. Fraser runs the risk of being accused of "kicking the Communist dog" (to quote a local piece of political jargon). But the time being at least the Party seems to feel there are more potential votes to be gained by dramatising the issue than by playing it down.

Private businessmen who have to work with organised labour would probably rather the Government kept out of purely private wage disputes even when, as in the case of Hamersley, they are disputes that can cost the economy hundreds of millions of dollars. Their chances of being left to sort out their problems on their own, however, look slim in a situation where more and more of what happens on the Australian labour scene is beginning to look like an out-and-out confrontation between the government and organised labour.

The weak point in the union's current wage offensive is, in effect, it seems to be producing on public opinion. Although well over half of Australian workers are unionised, the evidence that is available suggests that hard-line unions that disrupt essential public services are losing rather than gaining popular support. This has been implicitly admitted by spokesmen for the Opposition Australian Labor Party, which sees the strike issue as one which could lose votes for the party at the next election — due by December, 1980, at the latest.

The Liberal Party has been trailing badly in recent public

MEN AND MATTERS

Bel canto

off the shelf

Richard Crane says he often cursed his natural soprano voice in the 23 years he has been working for a Surrey-based wire-mesh shelving company. "But now I look on it as a gift."

He has just resigned as deputy chairman and managing director of Change Wares at the age of 45 to pursue a singing career. His voice has a range of four octaves and allows him to cover all the estratoni roles in early operas such as Handel's, written when women were barred from the stage.

Crane, who has two grown-up children, is taking a three-year degree course at London University, both musical and religious studies. He only fully realised the nature of his voice seven or eight years ago, at a music festival in Woking. Since then he has been training hard.

One of the people who has helped him, Professor Fabian Smith of the Guildhall School of Music, told me Crane's range was extremely rare for a man and that he sang very musically as well.

"It's a limited field," he said. "However, since the musical attracts a good deal of publicity nowadays I imagine he could quite easily develop a successful career in concert recitals and oratorio."

Head for figures

I seemed to have tapped a pent-up accumulation of wry — not to say incomprehensible — accounting humour. Letters have cascaded into my office in response to last week's competition, which was designed to provide actors at next year's Institute of Chartered Accountants' centenary with something to get their teeth into.

An Essex accountant suggests that one of the incidents worthy of inclusion would be the experience of an auditor at a City commodity merchant just be-



footage of a gigantic crocodile; it was hurriedly explained after the programme that this was not the croc, but another one, filmed in Africa.

The police suggest that the coldness of the Meuse may already have killed it. Ecologists are taking the opportunity to suggest that industrial waste must have poisoned it by now. Yet another view is that the crocodile is hasking bappily in the warm waters near the river-side town of Huy where the power station uses the waters of the Meuse as a coolant.

Meuse monster

The Loch Ness monster has a potential rival — Belgium's runaway crocodile. The elusive man-eater is being hunted in the River Meuse by local police, with TV crews in close attendance. A disenchanted pet-shop owner is said to have set the crocodile free and holiday-makers along the river are being warned to be on their guard.

fire the war. This company's internal communications system paid full regard to the needs of economic housekeeping. The senior partner would attract attention in the next-door office by singing a rock attached to a length of string over the partition.

Unfortunately, the auditor's desk was inappropriately positioned for such a means of communication, and the audit came to an abrupt end on the first morning when he was knocked unconscious and removed by ambulance.

Obviously, danger money would have to be paid if such a tricky scene were enacted next year. Readers with less hazardous tales still have another seven days to send in their entries.

Going steady

The proposed £70m deal to sell half of the EMI music business has under-scored the dangers of taking on the world alone with a revolutionary piece of equipment. The company's medical scanner division is expected to make a £18.5m loss this year.

EMI is not risking the same mistake with its latest technological development, digital recording of music. Far from going it alone, it has licensed the manufacture of the new equipment to MCL, the Florida-based world leaders in making professional recording devices.

Fully paid-up members of the two cultures will want to know that a digital tape recorder converts the audio signal to the equivalent of a 15 bit digital code, by sampling at a frequency of 50 kHz, and storing the digital information on instrumentation tape."

The rest of us will doubtless be content with the knowledge that digital recording is claimed to minimise distortion at the recording stage. Certainly, the first digital record put out by EMI earlier this year, a jazz single, offers the cleanest sound

I have ever heard outside a concert hall.

The company is hoping to release its first batch of classical recordings in time for the Christmas rush.

Fighter at the top

The name of Samson Banjo is one that sticks in the mind, and memories of City veterans were jogged by the news that he has become managing director of the National Bank of Nigeria.

Banjo won headlines in 1963 by an act of bravery while he was London manager of the bank — Nigeria's biggest. While Banjo and his cashier clerk were carrying a deed box from the bank's offices, then in Throgmorton Avenue, they were attacked by three men.

The clerk was beaten to the ground and the thieves made off with the deed box, containing savings. A desperate chase followed, until Banjo cornered the men and began fighting all three. Although beaten up, Banjo reclaimed the box.

He was awarded the Bimey memorial trust medal for bravery, gallantry and devotion to civic duty, which is awarded annually by the Metropolitan Police. Since then he has fought his way to the top by more conventional banking means.

Grace note

A colleague picknicking at Givindbourne last weekend, in the leisurely interval between acts, overheard a remark which suggests that the Budget tax incentives are already helping to stimulate useful employment. A man sitting nearby on the lawn, and unpacking the most complicated of hampers, told his wife: "All this running back and forth to the car is quite impossible, darling. Next time we really must bring Chadwick."

Observer



King George's Fund for Sailors looks after them all

In this Country of ours, there is no-one who is not connected with the sea.

Half the food we eat comes from across the sea. Many thousands of us, our relatives or friends are past or present members of one of the sea-faring services, or of an industry dependent on them.

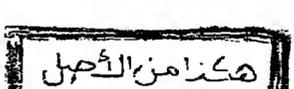
There are many charities for seafarers and their families. One, only one, however, is the central charity, charged with collecting and providing funds for all other seafarers' charities, and with making sure that the money is distributed where it can be of most use.

That central charity is King George's Fund for Sailors, launched in 1917 at His Majesty's personal wish. KGFS distributes funds without distinction of service, of rank or of creed. The sole criterion is to distribute the money to the areas of greatest need.

When you want to remember our seafarers who are in need, remember King George's Fund for Sailors. We'll see to it that not one penny of your money goes to waste.

Please send your donation to:

KGFS King George's Fund for Sailors 1 Chesham St., London SW1X 8NF THE FUND ENDORSES CHARITIES THAT SUPPORT SEAFARERS IN NEED AND THEIR FAMILIES



ECONOMIC VIEWPOINT

The more cheerful informal economy

MANY PEOPLE must have thought that the extreme gloom of economic reports and forecasts does not correspond with what they see going on around them in everyday life.

Sir Geoffrey Howe has said that the prospects are "almost frighteningly bad" and there are plenty of off-the-record quotations about "the prospect even worse than we thought a year, a month, a week, a day or an hour ago."

The Treasury's Medium Term Assessment (MTA) in which some of this gloom is based should be read in the light of all the technical details and alternative assumptions included. It should be published without personal Ministerial commitment mainly on "open government grounds" so that outsiders can assess and criticise the Whitehall analysis.

Meanwhile it is a refreshing change to read a paper prepared by J. L. Gershuny of the Sussex Science Policy Research Unit, which bears a closer relation than most "Formal Forecasts to the world in which we live".

His topic is the "informal economy" — this includes the black economy, on which David Fraud has written on these pages, but it goes much wider. For it includes not only unrecorded transactions, but the perfectly legal household provision of services which might previously have been supplied for cash in the market.

Many commercial services have not shown as fast a statistical growth as predicted and some have actually declined as a proportion of household expenditure. So statistics based on market transactions are now

under-recording rather than over-recording both economic growth and absolute levels of output.

The reason for this, according to Dr. Gershuny, is that people are now producing more of their own services. Or more precisely, they buy goods, which are in effect capital equipment, to which they add their own labour in the form of services. Instead of going to the laundry, people use their own labour on washing machines. Instead of hiring cleaners, we clean our own houses, with ever more efficient electrical equipment.

Productivity

These are rational processes. For we far from experiencing the nightmare of billions of computers doing all our work for us, the real trouble is that productivity in many labour intensive services increases very slowly, while wages in these industries increase more rapidly — not for the egalitarian reasons suggested by Dr. Gershuny, but because wages are geared, however imperfectly, to productivity in the whole economy. Services with little scope for productivity improvement must become much more expensive relative to consumer capital goods, where productivity can rise more rapidly.

To these natural developments are added the hidden provision of the black economy. Whether this is for barter or unrecorded

cash, it consists of market transactions, which are unregistered to evade taxes or other public regulation.

But there is a third force at work, which encourages both types of informal economy, the illegal and the do-it-yourself. The persistence of excessive unemployment over a whole trade cycle is a sign — in the teaching of Keynes as much as in the teachings of classical or monetarist economists — that real wages are too high. (The doctrinal disputes have been about how they are or should be adjusted to more appropriate levels.)

But if unions or official regulations prevent real wages — whether absolute or relative — from moving to market-clearing levels, people will make their own unofficial adjustments; and a low wage hidden economy will develop. This is the real explanation of the flourishing avoidance activity, described on this page yesterday, which takes place in trades such as hotel and catering with the connivance of workers, to by-pass the Wages Council rules.

These various forces interact. For the falling cost of equipment, particularly power tools — together with the development of processes requiring less skill to use — reduces the cost of taking part in the informal economy. This applies both to providing for one's own needs at home and becoming self-employed without completely declaring what one is doing to the authorities.

Dr. Gershuny adds that the informal economy is not only beneficial from a financial point of view. Many people also find it more personally satisfying.

Economic progress is thus no longer a one-way movement to an impersonal society based only on cash relations and legal contracts. Instead we have a "rather, less tidy pattern" with



The household sector: overlooked by the gloomy forecasters

a whole series of little movements taking place simultaneously in different directions into and out of the formal economy, the household economy and the "black" or underground sector.

So far, so good. But Dr. Gershuny, after presenting this more cheerful picture, has his own brand of doom. The displacement from the formal, monetary economy has, he believes, an unfair and unequal impact on different people. For instance, the micro-processor is liable to have a disproportionate effect on women's employment in the service sector — although the recorded fact is that women's employment has shot up in the last few years, while men's has stagnated.

Dr. Gershuny stresses that unemployment is concentrated heavily among those with low or obsolete skills and inadequate levels of education or training. Added to this, the distribution of employment activities is uneven between regions. Thus some people have less choice about whether to work in the formal or informal economy than the rest of us.

It is, however, intentions to describe these features as the formal economy "exploiting" the informal one. Indeed, at a meeting to discuss the Gershuny paper, some of us retaliated by saying that the exploitation was the other way. Those of us with skills most suited to wage or salary employment and least suited to do-it-yourself activities at home or for cash were exploited by untaxed informal

workers, whom we had to pay out of taxed incomes.

An exchange of complaints will not, however, get us anywhere. It is better to list the reasons for the existence of a society with high registered productivity, high registered unemployment side by side with high and productive informal activity. They are:

1. The slow growth of productivity in many services in relation to its rapid growth in the production of simple capital equipment and household tools.

2. A social security cushion for the unemployed which makes it irrational for those with low marketable skills to seek full-time declared employment.

3. Tax levels which distort economic choice in favour of the

household or the underground economy and against the cash one. Prof. J. C. Shepherdson, of the University of Bristol School of Mathematics, wrote to the Financial Times in 1976 explaining that it did not pay anyone earning less than £33,000 per annum to take his car to a garage and devote his time to professional activities if he was capable of repairing it in the same time that a garage could.

Trade unions or government monopolistic restrictions, which prevent real wages from moving — upwards as well as downwards — in market clearing levels.

The first reason, differential productivity growth, is a legitimate one for the evolution of an informal economy and is no cause for complaint — although hard luck on those of us who like train or taxi journeys, shaves in barber shops, restaurant meals, and professional deputation in place of our own clumsy efforts.

The fourth reason, monopolistic collusion to keep wages from market clearing levels is a distortion felt most heavily by those for whom most credible tears are shed — the out-of-work in the unemployment blackspots. For such people, the informal economy is not a positive good, but a lesser evil.

The third point about tax distortions is an argument for slashing the high rates on marginal earnings at the bottom and top of income scales.

The second reason, the effect of the social security cushion on work incentives, is not a technological fact, but a basic feature of a humane society. The Right are as infuriated to hear this stressed as the Left are to have the work disincentive recognised; but both sides will have to stay infuriated.

There are many reforms which could reduce, but certainly not eliminate, such disincentives. But at the end of the day the existence of a social wage will still mean that people without valuable skills, and temperamental drop-outs, will not work full-time in the cash economy when otherwise they might have been staved into doing so. This is good, not bad — except for those who regard low unemployment percentages as an end in themselves.

But I want to end with a point of Dr. Gershuny's. He spoils an otherwise excellent paper by advocating job sharing: reduced hours, rationing available work and so on. This is a crude re-appearance of the aged "lump of labour fallacy". Its adoption would impoverish us all without necessarily cutting even the unemployment statistics. It would also be violently anti-libertarian.

But by even mentioning job sharing, an otherwise thoughtful academic helps to prolong the life of a deep-seated impoverishing fallacy of a Luddite nature. So research programme will remove the fallacy; but a walk on the Sussex Downs and some basic reflections on the circular flow of income and expenditure might have eased it away.

A similar course of therapy is to be recommended to the complainers of the "MTA" those who complain about supposedly high interest and exchange rates, and the assorted technocrats and bar-charters who want accelerated growth zero growth, or whatever other authoritarian pattern they wish to impose on a society which will evolve much better without their attentions.

Future Employment Structures, Security and Job Creation, The Anglo-German Foundation, St. Stephen's House, Victoria Embankment, London, SW1.

Samuel Brittan

A strong pound

From Mr. N. Sheldon, M.P.

Sir — In his article on August 2 Samuel Brittan suggested that the Treasury's strategy for the pound was "a convincing academic exercise to present the monetarist case more convincingly. Presentation will not, however, be enough. The bones of government policy and its consequences cannot be unasked."

A high £ together with world recession are constricting world exports. Our manufacturing industry not only has these restraints upon its output, it also has to face severe competition from absurdly low priced imports in a world where such opportunities to export goods to willing countries are few. In addition to all of this, manufacturers face recession at home and a minimum lending rate at 14 per cent.

What is the theoretical basis for such a disastrous combination? There are two. The first is to provide tax incentives, the payment for which is met by increases in indirect taxation, which lead to greater inflation and which have to be compensated by deflationary measures. The end result therefore tends to bankrupt those for whom the tax incentives were largely intended. For in any recession it is the small business which is the most vulnerable.

The second reason for the punishing of industry is the inability to distinguish between the growth of money supply at home — caused by our own printing of money — and that caused by the inflow of funds from overseas if the exchange rate is kept low. Of course we have to restrict the printing of money because it is both inflationary and cumulative. Cumulative in that each year the money supply starts at a higher level due to the previous year's printing.

The inflow of overseas money does not operate in the same way. It is not normally cumulative and, being hot money, it can be reversible. It is consequently a much less significant part of the money supply over any period.

There are those who, in their dogma, see an unchanging and precise relationship, quarter by quarter, and even month by month between money supply and inflation. Too much is being sacrificed to satisfy their incomprehension. Different forms of money can and must be distinguished and the Bank of England should accordingly be instructed to undertake a proper intervention in the foreign exchange market to save British industry.

Robert Sheldon, House of Commons, SW1.

Flywheels save energy

From Mr. C. Whetton

Sir — Mr. A. Lines (July 11) advocates bringing back the trolleybus for passenger transport and electrifying all major roads so that a similar system could be used for long distance goods transport. Without considering the problems of charging for the energy consumed, the cost of charging 2m goods vehicles to electric operation and the environmental impact of an extensive network of interference radiating overhead

Letters to the Editor

cables, I would like to point out that the cost of providing overhead electrification to 16,000 km. of motorways and trunk roads would be about £1,000 million. This level of investment may be compared with the £1.2bn spent on roads, including lighting, in the financial year 1978.

An alternative for supplementing the internal combustion engine at high speeds is the form of flywheel propelled vehicles where the flywheel is used to store the energy needed to propel the vehicle, the flywheel being charged by plugging in to a power source — a ten minute charge being sufficient for, say, one hour of use. This also has the advantage that energy which is normally lost when braking can be recovered and stored by the flywheel to be used again when accelerating the vehicle. This possibility also exists for hybrid vehicles where a small internal combustion engine propels the vehicle at its cruising speed and the flywheel supplies additional energy used for starting, ascending hills, etc. and stores energy recovered in braking. Studies have shown that for a 40 ft bus the pure flywheel driven bus and the flywheel/diesel hybrid have life-cycle costs slightly less than those for a conventional diesel-powered vehicle. More important, the flywheel/diesel bus uses 12 per cent less diesel fuel than the pure diesel bus in a typical urban driving cycle. For the pure flywheel bus the energy saving is 26 per cent equivalent energy.

It is not true to say that the flywheel has had a bad press in Britain — it has had almost no publicity at all. In the U.S. investment in flywheel system development is running at about \$5m per year. I know of no research and development programme in Britain.

C. P. Whetton, 14 Rue Notre Dame de Lorette, 75009 Paris, France.

Tax relief since 1853

From Mr. R. Toyler

Sir — We are very concerned to read the articles written by Elinor Goodman (July 30) and Eric Short (August 4), regarding the possible abolition of tax relief on life assurance premiums.

The original concept of life assurance was for protection, and any individual who provides financial security for his dependants by using a life assurance contract is surely socially desirable and will relieve the state from part of the financial burden should the individual die prematurely.

Many life assurance contracts today are slanted much more towards investment and savings, which on maturity provide substantial security for individual needs.

The conventional life companies have been the most stable medium for savings, available and used by all strata of society. Clerical, Medical and General Life Assurance Society, whose managing director and current chairman of the Life Offices Association, Mr. Leonard Hall, in his report for 1977, stated that various with profits endowment policies maturing then had, after tax relief, enabled the policyholder to keep pace with the retail price index. No other long-term

Letters to the Editor

investment available to the public at large, other than life insurance, has performed as well, and we believe that every encouragement should be given to the industry.

We also refute the implication given that the industry does not support smaller companies. There are many instances, directly and indirectly, where they do, for example, as purchasers and developers of property and mortgages for the smaller industrial concerns. You cannot expect them to invest on a large scale directly as shareholders in private or director-controlled companies as this type of company's shareholders have totally different aims to those with many more public shareholders.

I think that the industry has acted most responsibly and to think that a Conservative Government could possibly change a system whereby the individual looks after himself and his heirs as opposed to state support, is inconceivable and particularly as according to Mr. Short, tax relief was originally granted in 1799 by William Pitt the Younger and has been available without a break since 1853.

Brian M. Taylor, The Old Vicarage, Church End, Pottersbury, Northants.

Plethora of tax allowances

From Mr. B. Cole

Sir — May I support the arguments of Mr. Beattie and of Lex (August 3), that our tax system should be less discriminatory. The plethora of allowances and methods of avoiding payment of tax has been out of control for many years. The Chancellor should have every encouragement to reduce these at the earliest opportunity.

Sorely the starting point for a philosophy of taxation should be to raise the necessary (minimum) revenue from all citizens fairly, that is, in relation to their ability to pay and/or their demands on society. The first criterion can be satisfied by a simple income tax (including capital gains) if a reasonable basis of valuation can be found, and probably a Corporation Tax. The second is best covered by VAT at one standard rate, levied on all products and services.

Income-tax relief on savings can be justified in my view only on the grounds that it is good for society that personal savings be increased, to a degree that outweighs the disadvantages. As Lex and Mr. Beattie emphasise, however, there is no justification for the present "fiscal distortion" caused by the "tax bias towards saving in a particular form." Since companies are not consumers, there is no need to allow relief against corporation tax. Income-tax relief could, however, be made fiscally neutral.

Individuals could be allowed an equal value of savings each year free of tax at standard rate. Since this would replace present relief on insurance premiums, pension schemes, mortgage interest, employee share schemes, etc., the level could probably be attractively high to reduce the political problems. A reasonable alternative which Mr. Beattie would doubtless prefer could be to abolish

all such reliefs. I suspect this might be politically so unpopular that the change would not last long. In pure economic terms, however, the incentive to save could be strengthened by an increase in VAT to, say, 25 per cent.

B. A. Cole, "Drake Wood," Devonshire Avenue, Auckston, Buckinghamshire.

Resistance to technology

From Mr. S. Oliver

Sir — May I express deep concern at the apparent increase in resistance to new technology in our society?

Christian Tyler's piece (June 18) "The TUC Nibbles at new technology" was very informative and thought-provoking. The unions' theme is "change but only by consent" with the implied threat that unless workers see some net benefit to them from the new era of automation they will dig in their heels and resist it. Again, Mr. Moss Evans, general secretary of the Transport and General Workers Union, expressed the opinion that micro-technology needs to be "bent" to the trades unions' purposes (July 13).

Too few people realise the extremely rapid pace with which technological development is proceeding in some areas (although we are only seeing the tip of the iceberg of the application of such technology). Consider, for example, the rate of introduction of numerically controlled machine tools in two countries:

Table with 3 columns: Year, UK, U.S. showing machine tool production statistics for 1965, 1976, and 1980s.

Again, on the computing front, the FT (June 6) reported a computer storage system which had reached a capacity of 21 times its designed capacity in 1971. On the jobs front, a major chemical company talked of a planned 2 per cent year cut in jobs (April 26), although the general secretary of the white collar section of the General and Municipal Workers Union thought that the proposals might involve anything up to 7 per cent job reduction per year over a number of years. If only the 2 per cent rate of reduction was applied to the 22.7m employees in the UK over a period of 10 years, 4m jobs would be lost.

Mr. James Prior (June 22) refused to be drawn concerning a Treasury forecast of a possible level of 2m jobless by 1980. It is entirely conceivable that unemployment in the UK could rise to around 10m by the end of this century if we continue to manage our affairs inflexibly.

A society based upon a large number of unemployed citizens is surely heading for trouble and particularly a society where young people have no prospects of work. Urgent action is required.

Every encouragement should be given to advanced technology which should be pushed as hard as possible on all fronts. The working week should be progressively and substantially reduced. Holidays should be substantially increased. General skills should be taught as a potential benefit to society and

the individual. Financially attractive early retirement schemes should be accelerated. Much more financial encouragement should be offered to industry and particularly small manufacturing companies. Much more education and training should be given in marketing and product design. Bold plans should be explored to supply the underdeveloped countries with vital products and services without expending early money on payment (which they clearly cannot yet provide).

The Government should make great speed before we experience an economic and sociological catastrophe. Stanley Oliver, (Senior Lecturer in Management Techniques, Salford College of Technology, 55, Kingsley Drive, Cheddle Hulme, Cheddle, Cheshire.

Kentish exports prospects

From the President, Kent Export Association.

Sir — There has been considerable discussion in recent weeks on the effect of buoyant currency on British exporters' ability to continue to compete in world markets. When reading such reports and indeed statements made by certain eminent chairmen of large companies, it is difficult not to experience a feeling of doom and despondency for trading prospects in coming months.

This association recently carried out a survey among its manufacturing members who operate in Kent. There is an enormous variety among these members both in manufacturing and size of enterprise, some being national names employing over a thousand workers and some being small concerns with only 50 employees.

Out of some 65 replies received to our survey, 27 companies were selling on fixed-price contracts, the remainder on normal overseas trading terms. Forty-seven companies stated that they believed that the strengthening pound would make it difficult to sell in overseas markets. What is particularly interesting, however, is that some 45 companies out of the total replying considered that good quality and prompt deliveries can outweigh any detrimental effect caused by the pound's value against price competition. Furthermore, 30 per cent of the companies did not consider that the next year would be static with regard to exports.

I feel, therefore, that we can take heart that pessimism has not become general thinking among exporters at the moment and, providing the country responds by producing more for a competitive price, then we will be able to cope with any competition we receive from overseas.

The only point I would add is in contradiction to statements being made that exporting companies can gain from imported raw materials becoming cheaper. The number of companies that this applies to is quite small, and the overwhelming number of us engaged in exporting use British goods throughout our manufacturing process. G. W. Sibley, 148, New Road, Chatham, Kent.

Today's Events

GENERAL UK: Sir Keith Joseph, Industry Secretary, visits Scottish electronics companies, and Wollson Microelectronics Institute, at Edinburgh University.

General and Municipal Workers' Union national officials and shop stewards meet to discuss possible industrial action against Pilkington glass company.

First air defence variant of Turndown F2 long-range interceptor rolls out at Warton, Lancs.

OFFICIAL STATISTICS Central Government trans-

Today's Events

actions (including borrowing requirements) for July. Provisional figures of vehicle production for July.

COMPANY RESULTS Final dividends: Ailsa Investment Trust, Associated Trailing Industries, Diamond Stylus, Hallite Holdings, London Transport, David S. Smith Interim dividends: Adams and Gibbon, Anglo-International Investment Trust, Antigonac Products, Goude Durrant and Murray Group, Hawley Leisure, Mercantile Investment Trust.

Ratcliff (Great Bridge), Wolf Electric Tools (Holdings).

COMPANY MEETINGS Armlage Shanks, 75 Harborne Road, Birmingham, 12. Baker Perkins, The Dorchester Hotel, Park Lane, W. 11.45. Cattle's Royal Station, 3, Patagon Square, Hill, 3. Chamberlain Phylips, The Manor House, Higham Ferrers, Northants, 2.30. Cullen's Stores Burford Bridge Hotel, Nr. Dorling, 3. Enticypus Pulp Mills, Charing Cross Hotel, Strand, W.C. 12.30. Town and City Properties, Winchester House, 100 Old Broad Street, EC. 10.30.

Advertisement for Standard Chartered Bank Limited, featuring the slogan 'WHERE IN THE WORLD WILL YOU FIND STANDARD CHARTERED?' and 'Determination'.

UDT steps up recovery with advance to £20m

United Domicions Trust, the independent finance house conglomerate which is still receiving aid from the Bank of England's support group, reported an 18 per cent increase in 1979 group pre-tax profits to £20.1m.

Mr. Len Mather, the chairman, says the group has largely restored to sound financial health and its recovery programme has accelerated pace. But it is likely to remain materially dependent on the support group for another few years.

At present UDT is receiving about £250m of its £500m deposit base from the support group, about £50m less than this time last year. At the height of the group's difficulties "lifeboat" funds exceeded £500m.

Mr. Mather confirmed that UDT is actively considering schemes to improve its capital structure. But here again, any reconstruction must be three to four years off, he said.

UDT achieved its profit increase in the year to June 30, 1979 despite the fact that its average cost of money was 4 per cent higher in the year than in 1978. This is explained by significant profit increases in property advances, vehicle hire and motor distribution, and the engineering division. Profits from instalment credit and related services are almost £9m lower at £6.6m.

Mr. Mather wants UDT to remain a conglomerate. The profit increase reflected "the importance of the manifold services furnished by the group."

"We are a diversified group serving many types of customer in widespread fields and have the strength to withstand the adverse effects of violent swings in mono-

HIGHLIGHTS

The gilt-edged long tap was exhausted yesterday and Lex looks at the reasons for the latest renewed enthusiasm which was reflected in a parallel advance in the equity market. The big company news result of the day came from UDT which has surprised the market with profits for the year showing an improvement despite the big rise in interest rates. Glynwed is looking to higher profits for the year but there is a cautious note to the half-time statement. Finally Lex examines the latest move in the bid battle between Bestobell and BTR with the former publishing its latest defence document. Elsewhere there are comments on Bibby, Securicor, Comben and Ault and Wiborg.

market rates which are beyond our control."

But there is to be no dividend. The last payment was in 1973-74 when the group paid 2.82p net. The chairman says all available profits are being applied to further strengthening the capital base particularly in the face of continued inflation.

On the future Mr. Mather says the main factors affecting profit levels are largely outside their control. The effects of the new Banking Act on the financial community remains to be seen and if high money rates persist it will be needed to eradicate narrow margins from the fixed lending book.

After tax and extraordinary items, including a £5.5m reduction in the sterling value of group net assets following the strength of the pound, the surplus has jumped from £6.5m to £12.7m. Stated earnings per 25p share have almost doubled from 6.41p to 13.35p.

When preference stock dividends are deducted retained profit is also well up—at £10.6m, against £2.2m.

Mr. Mather says that the instalment credit and related side was hit by higher money costs. UDT Industries was the highest individual contributor to group profits.

	1979	1978
Profit before tax	20.1	17.0
UK—		
Interest credit and related services	5.6	14.4
Other direct services	2.8	1.3
Property advances	3.4	0.5
Vehicle hire and motor distribution	4.6	3.0
Eng. and industrial companies	1.5	1.0
Prop. const. and dev. plant hire and equip. sales	0.2	10.3
Overseas—		
UK—	2.0	13.1
Overseas	1.0	2.9
Tax—UK	1.6	10.7
Overseas	0.2	4.8
Profit after tax	16.4	10.9
Minority interests	3.6	0.5
Prefer. dividends	0.2	4.3
Retained	12.7	2.2

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finalised but is estimated at about 8.5 shares (7.61 per 100). Full-diluted earnings are shown to have risen 17.35 per cent to 5.75p (4.9245p). Estimated fully-diluted net asset value is 100.5p (95.9p) at June 30 and 93.2p (104.6p) at August 7.

As already known, the directors propose to change the company's name to Hume Investment Trust Company after the annual meeting in October.

Whether or not discounts to asset valuations are ever superseded as the yardstick, for investment trust ratings Hume has five with a discount which, at 19.4 per cent, falls almost eight points below the sector average. Industry statistics for asset growth over the past five years show Hume to have risen at 35 per cent, against the sector return of 5.6 per cent. Hume has made some ample decisions recently in the U.S. market and direct property investments. Both spheres now have an instant effect on the portfolio and while the trust remains poised to commit itself to the equity market, long-dated gilts retain their very obvious attractions.

	1978-79	1977-78
Gross revenue	2,848	2,524
Franchise dividends	1,309	862
Interest	1,059	1,059
Profit	1,144	1,278
Property and other income	176	291
Management expenses	277	304
Interest	277	327
Associates	468	427
Revenue before tax	2,542	2,180
Tax	797	679
Retained	1,745	1,501
Dividends	—	—
Prefer. dividends	—	—
Overseas	134	1,074
Retained	1,611	1,711

The capital dividend on the "B" shares has not been



Mr. Peter Smith, chairman of Securicor... big improvement in overseas earnings.

Securicor ahead to £2.85m at midway

A 25 per cent profits increase is reported by Securicor Group in the half year to March 30, 1979. The taxable surplus was lifted from £2.28m to £2.85m on turnover ahead from £58.2m to £57.1m, and the group which incorporates Security Services and Securicor, is looking for continued growth.

Mr. Peter Smith, chairman, said pressures on UK profit margins of manned security operations, forecasted in his review last year, were offset by the substantial improvement in overseas earnings. The group benefited from a doubling of the contribution from the diversified activities in finance, transport, property and hotels.

Taxable profits from UK industrial security fell from £1.7m to £1.43m, but the overseas contribution rose from £175,000 to £474,000. The surplus from the other activities jumped from £49,000 to £246,000.

Mr. Smith adds that the major extension of the parcels service got off to a good start in April, and is anticipated continued advance in overseas operations in the second half.

He concludes that the year as a whole, after absorbing the start-up costs of the extended parcel service, should show continued overall growth, albeit at a somewhat more modest rate than in 1978. Profits for the year to date last year rose from £4.1m to £5.1m.

Tax for the half year is increased from £746,000 to £935,000, leaving the net surplus up from £1.53m to £1.91m. Stated earnings per 25p share are ahead from 6.9p to 8.3p.

The interim dividend is lifted from 0.3p net to 0.5p and there is an issue of one "A" ordinary (non-voting) for each ordinary or "A" ordinary held. Last year's total dividend payment was 2.678p.

The cost of the ordinary dividend goes up from £2,560 to £2,988 and the preference yield from £19,319 to £24,855.

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Rohan profit surges past £1m mark

WITH second-half profits jumping from £305,000 to £802,000, taxable profits of Rohan Group surged to a record £1.26m in the year to April 30, 1979, compared with £562,000 last time. And the directors say a very satisfactory start has been made to the current year.

The net total dividend of the industrial estate developers and building contractors is stepped up from 3.75p to 5p, with a 3p final. A one-for-four scrip issue is also proposed.

At midway, the surplus was ahead to £455,000 (£244,000), and the directors said second-half profits would be higher.

They now say the balance sheet indicates a strong liquid position, with net current cash balances of £1.6m. They repeat their earlier comment that the successful negotiation of a number of joint venture developments extending over the next two years should offset any downturn in general demand for industrial space which may occur.

Turnover for the year was well ahead at £13.3m (£14.31m). After tax of £702,000 (£591,000), earnings per 10p share are given as 16.85p, against 8.25p. Retained profit came through at £492,000 (£145,000).

At balance date, group fixed assets stood at £505,000 (£419,000) while net current assets were up from £300,000 to £2.28m. Bank balances and cash rose to £1.33m (£235,000).

Ault & Wiborg midway profit held at £1.3m

PRE-TAX profits of Ault and Wiborg Group, printing inks, rollers, paints, concern, were virtually unchanged at £1.3m for the half year ended June 30, 1979, compared with £1.3m, on turnover up from £19.6m to £22.45m.

The interim dividend is 0.75p (10.7p) net per 25p share and the directors' comment is that the level of the profit level, that the modest increase is appropriate—last year's goal profit was 1.44p.

In March the directors reported profits of £3.1m for 1978 and said that sales were virtually unchanged at £1.3m for the first two months of the current year had been severely affected by the transport strike and bad weather.

Tax charge for the six months is given as £116,000 (£57,000).

The interim results from Ault and Wiborg show a marginal drop in pre-tax profit but this is not as bad as some analysts had been predicting. Although turnover increased nearly 15 per cent in the first half, the group has had to cope with the lorry drivers' strike in January and with price rises in the raw materials it uses for paints and inks, notably petroleum. Margins

are down and demand has not been slow to rise. The company also experienced some heavy working capital requirements of £800,000 to the first half—which have been met by internal funding and borrowing. As a result, the interim dividend is only marginally higher than last year's (up by 4 per cent) and the full year total will probably inch up only slightly over 1978. Pre-tax earnings for the year are likely to be £3.3m, roughly the same as last year. Under these assumptions, the prospective year-end p/e should be about 4.5 at yesterday's share price of 47p, up 2p, with a possible yield for the year of 7 per cent. There is one final factor which shareholders should be apprised of: the U.S. group, Sun Chemical, has been buying into Ault and Wiborg's equity for several years now and has achieved a 45 per cent stake. Over the next two years, Sun can purchase 2 per cent each year, and at 50 per cent it can stop up its buying. It seems probably that Sun will buy the remaining 55 per cent with its current stake and four directors on the Board, some would say that it already has more than a small amount of influence.

Battle lines drawn in Belhaven board row

BY JAMES BARTHOLOMEW

AN extraordinary row at Belhaven Breweries came out into the open yesterday with Mr. Roy Ling, the deposed chairman and managing director, issuing a long statement and the rest of the board saying that some of Mr. Ling's statements are "out of context."

The argument appears to have started when Belhaven asked Mr. Ling if Ashpoint, the company Mr. Ling had sold at Belhaven, would contribute funds towards Belhaven's dividend. Ashpoint did not have to agree to this under the terms of the contract by which it had been purchased.

Mr. Ling was willing to consider the proposal, however, if other terms of the contract were improved. Among the improvements he requested was a long extension of the time during which Ashpoint would remain outside the control of Belhaven. Mr. Ling claimed that Belhaven would gain because the change would also mean that the Ashpoint management would be tied to Belhaven for longer.

The board claims that the terms were so demanding that it could not agree to them. The directors say they were sufficiently incensed to remove Mr. Ling from his position as managing director and chairman. Mr. Ling says his removal had no reasonable foundation that he can see.

The removal was effected while Mr. Ling was negotiating a deal on behalf of Belhaven in Bermuda. The board says he knew of the date of the board meeting well in advance.

Both sides claim to be willing to make compromises and reach agreements. Mr. Ling says Belhaven has offered to sell Ashpoint back to him and to sever all connections with him. He has refused, he says, because he believes that Belhaven has a good future and he is committed to it.

If the row turns into a proxy battle at a general meeting, Mr. Ling believes his opponents speak for a large block of

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre. of div. year	Total last year
Ault & Wiborg	0.75	Oct. 15	0.72	2.15
Barker and Dobson	5.7	Sept. 28	5.7	11.4
Berlanger	40	Sept. 28	60	100
Bibby	5	Oct. 3	5	9.73
Bristol Ex. Post	4.75	Sept. 18	3.67	7.75
City London By. 4th Int.	1.18	Oct. 2	0.96	3.28
Comben Group	2.72	Oct. 5	2.71	5.43
David Dixon	1.5	Oct. 2	1.25	2.75
English & NY	1.5	Sept. 28	0.5	2.55
Eng. & Scottish Inv. Int.	1.5	Oct. 2	2.5	3
G. M. Firth	2.45	Dec. 19	2.45	9.15
Glynwed	4.63	Oct. 26	3.1	5.7
Hume Holdings	1.53	Sept. 28	1.68	3.7
Kamunting Tin	40	Sept. 20	12.5	47.5
New Wiltwatersrand	161	Sept. 28	10	24
Rohan	3	—	2.25	5
Securicor Group	0.9	Sept. 28	0.8	2.54
Security Services	1.27	Sept. 28	1.25	3.55
Vogelstein	120	Sept. 28	4	12
Southern Kinta	90	Sept. 20	70	150

Dividends shown pence per share net except where otherwise stated. Equivalent after allowing for scrip issues: 1.0m capital increase by rights and/or acquisition issues. For nine months. For 1978-50. For South African cents throughout. For Malaysian cents throughout. Before Malaysian Tax.

to make compromises and reach agreements. Mr. Ling says Belhaven has offered to sell Ashpoint back to him and to sever all connections with him. He has refused, he says, because he believes that Belhaven has a good future and he is committed to it.

If the row turns into a proxy battle at a general meeting, Mr. Ling believes his opponents speak for a large block of shares. But he and his colleagues who previously owned Ashpoint now have about 80,000 shares. The Belhaven board will issue a statement next week giving an indication of the first quarter figures and future plans. It may also set out its version of the full circumstances of Mr. Ling's appointment and subsequent removal from the top of the group.

Bibby growth—dividend boost

THE directors of J. Bibby and Sons announce pre-tax profits ahead to £4.02m for the first half of 1979 against £3.72m last time, and they expect to pay a dividend at least equal to 18p for the full period—last year's total was 9.73p.

The interim dividend is increased from 3p to 5p net per share. It is intended to split the £1 share into two shares of 50p, and make a scrip issue of one-for-two.

Commenting on the figures, Mr. Leslie Young, chairman, explains that an increased trading volume in the industrial group more than offset a reduction in the industrial group.

However, they believe the second half should be more favourable and expect further profit growth for the year as a whole over the £8.4m for 1978.

THE directors of J. Bibby and Sons announce pre-tax profits ahead to £4.02m for the first half of 1979 against £3.72m last time, and they expect to pay a dividend at least equal to 18p for the full period—last year's total was 9.73p.

Barker and Dobson capital reconstruction

DETAILS of Barker and Dobson Group's proposed capital reconstruction were announced yesterday.

The company, which manufactures machinery, is engaged in retailing, is proposing that the present holdings of 50 ordinary shares of 10p will become two new ordinary shares of 20p. First, the par value is to be reduced from 10p to 5p, each share is then to be subdivided into two shares of 5p and every five of these is to be consolidated into one new ordinary share of 20p.

The authorised share capital will become £18,600 represented by 28,800 ordinary 20p shares and 57,600 new shares of 20p. At the same time it is proposed that the share premium account, which stands at £1,860, will be cancelled.

Barker and Dobson announced the proposed capital reduction in July, along with much improved profits of £0.83m (£0.3m) for the year to March 31, 1979. For the years 1974-75 to 1976-77 the company was a loss maker.

The directors said the capital reconstruction would eliminate the debit balance on profit on the balance sheet and permit the anticipated payment of dividends out of current profits.

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Comben at £2.3m in first half

INCLUDING results from Orme Developments, acquired at the end of 1978, taxable profits of Comben Group, house builder and estate developer, were £2.3m for the first six months of 1979 compared with £2,005,000 for the three months ended June 30, 1978, and £1.7m for the nine months ended December 31, 1978.

Turnover for the six months was £23.94m (£22.2m for three months).

The interim dividend is increased from 0.5p to 1.2p net per 10p share, absorbing £488,000 (£127,000) for the nine months' period last year a total of 1.7p was paid.

The attributable balance came through at £1.7m (£2,005,000) after tax of £800,000 (£1,000,000). The amount retained was £1.21m (£1,785,000).

The directors say a start has been made in reducing the level of borrowings created following the Orme acquisition.

Margins throughout the country have now returned to more adequate levels and the sales position continues to be strong.

INCLUDING results from Orme Developments, acquired at the end of 1978, taxable profits of Comben Group, house builder and estate developer, were £2.3m for the first six months of 1979 compared with £2,005,000 for the three months ended June 30, 1978, and £1.7m for the nine months ended December 31, 1978.

Turnover for the six months was £23.94m (£22.2m for three months).

The interim dividend is increased from 0.5p to 1.2p net per 10p share, absorbing £488,000 (£127,000) for the nine months' period last year a total of 1.7p was paid.

G. M. Firth profits rise

FOLLOWING the midway recovery from a loss of £29,000 to £24,000 profit, a big rise in pre-tax profit from £29,661 to £139,560 in the year to March 31, 1979, is reported by G. M. Firth (Metals) Braded steel stockholders.

Turnover dipped slightly from £7.69m to £7.58m.

The tax charge of £59,037 (£42,526) becomes a credit of £24,163 for 1979 after release of deferred taxation of £173,200 in respect of stock increase relief. Net profit before extraordinary items is £287,723 (£147,335).

A final dividend of 1.5p net a 10p share is proposed, making a total for the year of 3p—last year only a final of 2.5p was paid.

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POST OFFICE AUTHORIZED TELEPHONE ANSWERING MACHINES FOR THE BUSINESS MAN. 01-446 2451

ANSEROMATIC Telephone answering systems

TO THE HOLDERS of 5% Guaranteed Convertible Debentures, due 1983 of Rockwood International, Inc. (Formerly Levin-Townsend International, Inc.)

Notice is hereby given pursuant to the indenture dated as of August 1, 1978, between the undersigned, the Rockwood International, Inc. ("Rockwood"), and the holders of the said 5% Guaranteed Convertible Debentures, due 1983 (the "Debentures") of Rockwood International, Inc. ("Rockwood"), entered into as a result of certain corporate reorganizations of Rockwood International, Inc. ("Rockwood") and its subsidiaries, and the holders of the said 5% Guaranteed Convertible Debentures are invited to attend a meeting of the holders of the said 5% Guaranteed Convertible Debentures, due 1983, on August 15, 1979, at 10:00 a.m. (Eastern Standard Time) at the New York City office of the undersigned, at which time the holders of the said 5% Guaranteed Convertible Debentures, due 1983, may elect to convert their Debentures into common stock of Rockwood International, Inc. at the conversion price of \$10.00 per share.

ROCKWOOD COMPILER CORPORATION, a Delaware corporation

August 8, 1979

Glynwed Limited—Interim Results

The unaudited results of the group for the 26 weeks ended 30th June 1979 together with the comparable figures for the corresponding period of the previous year and the final audited figures for the 52 weeks ended 30th December 1978 are summarised below:

	1979	1978	1978
	26 weeks to 30th June	26 weeks to 30th June	52 weeks to 30th Dec.
	£000	£000	£000
Turnover of the group	169,852	165,260	516,457
Group trading profit	10,758	10,272	19,978
Interest charges	2,123	1,813	5,888
Group profit before taxation	8,635	8,459	15,083
Group profit after taxation (see note)	5,569	5,679	11,748
Minority interests	80	(64)	91
Extraordinary items	—	—	707
Group profit after extraordinary items	5,489	5,743	10,923
Dividends:			
Preference	35	35	70
Ordinary	pps	pps	pps
Interim	2.451,599	2.451,899	3,451,593
Final	—	—	6,734,374

Note: Taxation has been charged in respect of the first half of 1978 at the estimated rate chargeable for the year.

GLYNWED
Glynwed Limited, Headland House, New Coventry Road, Solihull, Birmingham B36 2AZ.

مكاتبنا في لندن
WORLDWIDE FUND LIMITED
A commodity futures trading fund
Net Asset Value per \$1 share as at 31st July, 1979: \$13.05

INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

CIT enters battle for Integon

BY JOHN WYLES IN NEW YORK

CIT Financial Corporation, which had merger talks last month with RCA, presented itself yesterday as a rival to Anderson Clayton in a \$217m bid to acquire Integon Corporation, a North Carolina insurance company.

In a long meeting yesterday trying to decide between fighting for continued independence or possibly encouraging a bidding contest.

Both offers would yield a substantial premium over Integon's book value of around \$17 per share, which has also been its recent trading price on the New York Stock Exchange before Anderson Clayton announced an initial \$32.50 offer earlier this month.

Integon's activities in life, health, accident, property and liability insurance would fit neatly into CIT's diversified financial services operations. These include industrial and consumer financing, casualty and life insurance, banking, retailing and greetings card and office equipment manufacturing.

Brighter outlook for oil service industry

By David Lascelles in New York

THE CONSPICUOUS winners from the fast-rising price of oil in the U.S. are the oil companies. But prospects are also brightening for the companies that serve the oil industry—the makers of drilling equipment and the suppliers of drilling services.

ALFA ROMEO AT A WATERSHED Joint venture talks range from the U.S. to Japan

BY PAUL BETTS IN ROME

ITALY'S TROUBLED state-controlled Alfa Romeo car manufacturing group, which lost last year some £120m (\$150m) and has constantly been plagued by labour unrest and low productivity, has now reached a watershed.

Although less obvious, there has also been an improvement recently in labour relations and a more constructive dialogue between the trade unions and the state car group.

view of delays in the Italian energy plan. Finmeccanica has been forced to look towards exports for its energy sector. It is also holding preliminary talks with the Soviet Union and Yugoslavia for major energy deals.

Sharp rise at Dome Petroleum

BY ROBERT GIBBENS IN MONTREAL

DOME PETROLEUM, the Calgary-based oil group, announced a 30 per cent increase in earnings for the first half to \$48.7m, or from \$4 cents to \$1.09 a share.

liquids and oil equivalent rose by 61 per cent to 88,771 barrels a day in the period reported.

gas from a sand at about 6,600 feet. Flow rate was 3m cu ft daily through a restricted choke, giving a calculated open-flow potential of 85m cu ft per day.

EUROBONDS Dollar issues edge ahead in quiet trading

By Francis Ghiles

ALL MAJOR sectors of the Eurobond market were quiet yesterday, although the volume of trading in the dollar sector continues to improve, according to a number of dealers.

The \$80m convertible Yankee bond for Canon has been placed at \$4 by Goldman Sachs, the lead manager.

In the foreign Deutsche-Mark bond sector, prices were stable yesterday in very quiet trading. The DM 400m issue for the World Bank announced earlier this week was quoted at a discount of 1/4 point from par in pre-market trading.

Prices in the domestic D-Mark market were off by up to 70 basis points at the shorter end but longer dated bonds posted gains of up to 20 basis points.

In the Swiss franc sector, prices of seasoned foreign bonds have not moved since the beginning of the week.

Autopistas Vasco Aragonesa have arranged a SwFr 60m six-year bullet issue through Sedite. Three-quarters of the total amount carries a guarantee from four Spanish banks.

The same bank is arranging a SwFr 30m five-year convertible for Sumilomo Forestry with a coupon of 4 1/2 per cent.

One solution to the problem of over-regulation may be Mr. Carter's proposal for a so-called Energy Mobilisation Board, with special powers to cut through red tape in order to help vital energy projects.

These improved prospects mark something of a turnaround for an industry which has gone through a thin time over the past year or so, due mainly to bad weather and uncertainties over energy policy.

The industry's key indicator is the count of active oil and gas drilling rigs put out by Hughes Tool, the large Houston-based maker of drilling equipment.

According to Hughes, the count has been running 10 per cent or more below last year's levels. In July, for instance, the number of active rigs both on and offshore was 2,304, compared with 2,307 last year.

However, the energy crisis now besetting the nation has led to renewed interest in developing domestic resources, and a number of measures are afoot to stimulate exploration for oil and gas.

One of the most important of these measures is President Carter's decision to phase out controls on oil prices over the next two years.

There are a couple of clouds on the horizon, however. Mr. Carter linked the decontrol of oil prices to a tax on the windfall profits that the measure will bring.

Another cloud is the possibility of a major host, since the independents account for the vast majority of all onshore wells drilled.

The other cloud is regulation. The huge volume of government rules covering oil and gas production has reached the point where it is obstructing the industry.

Another cloud is regulation. The huge volume of government rules covering oil and gas production has reached the point where it is obstructing the industry.

Alfa Romeo will stay heavily in the red this year. But the Italian state holding company, Finmeccanica, has no intention of relinquishing total control of the car maker.

Alfa Romeo, which employs about 40,000 people and produces about 220,000 cars a year, represents the biggest threat to Finmeccanica's side.

In an attempt to launch a recovery of the Italian car group, the managements of both Finmeccanica and Alfa Romeo have for some months been holding talks with several Japanese, American and European car producers.

Finmeccanica has, however, indicated it would prefer to enter into a collaboration deal with Fiat rather than a foreign company—so long as the conditions were the same.

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Emerson Electric moves ahead

BY OUR FINANCIAL STAFF

EMERSON ELECTRIC, the St. Louis-based manufacturer of electrical and electronic products, is confident of record results for fiscal 1979 but expects 1980 to be a difficult year.

The company states that it has taken steps to protect profitability in a declining economy.

Contingency plans have been developed for each division, inventories have been brought into line with sales expectations, and capital spending programmes have been deferred.

Third quarter results now announced show net earnings 36.4 per cent up from \$45.59m or 77 cents a share to \$53.02m or 83 cents a share, on sales increased from \$578.7m to \$692.2m.

But half-year earnings were down from \$32.65m to \$27.09m, or from \$2.00 to 47 cents a share. The latest figures include special gains totalling \$3.2m, against \$19.3m in the 1978 first half.

Istel to sell Railcar unit

By Our Financial Staff

THE COMPUTER leasing concern Istel has agreed in principle to sell substantially all of the assets of its Istel Railcar subsidiary to Lamson and Sessions.

Airline drops merger plan

BY OUR FINANCIAL STAFF

CONTINENTAL AIR LINES' directors have voted to end the planned merger with Western Airlines, following last month's rejection of the deal.

Continental also revealed that second quarter earnings advanced from a corresponding \$9.2m to \$11.63m, or from 58 cents per share diluted to 72 cents.

COPENE Petroquimica do Nordeste S.A. An affiliate company of Petrobras Quimica S.A.—PETROQUISA, Brazil. US \$40,000,000 Medium Term Credit. Arranged by LIBRA BANK LIMITED As Agent July 1979

COMPANIA TELEFONICA NACIONAL DE ESPAÑA \$30,000,000 Medium Term Loan. Dillon, Read Overseas Corporation Banque Bruxelles Lambert S.A. Credit Lyonnais Mitsubishi Bank (Europe) S.A. Agent Bank Bank Brussels Lambert (U.K.) Limited 3rd August, 1979

AMERICAN QUARTERLIES

Table with columns for company name, quarter, revenue, and net profit. Includes HERSHEY FOODS, SANTA FE INTERNATIONAL, DEUTSCHE MARK STRAIGHTS, and TIMES MIRROR.

SONATRACH U.S.\$25,000,000 GUARANTEED FLOATING RATE NOTES DUE 1987. In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 17 1/2%, and that the interest payable on the first interest payment date, 11th February 1980 will be U.S.\$ 61.35. CREDIT LYONNAIS (Singapore Branch) Agent Bank

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds, see the complete list of Eurobond prices published on the second Monday of each month.

Large table of international bond issues with columns for issuer, amount, coupon, maturity, and price. Includes U.S. OILGAS STRAIGHTS, OTHER STRAIGHTS, and CONVERTIBLE BONDS.

مكتبة من الأصول

Companies and Markets

Peugeot buys truck importer

BY DAVID WHITE IN PARIS

PEUGEOT-CITROEN, signalling its intention to keep and develop Chrysler Europe's heavy vehicle operations, has bought control of the French company which distributes British and Spanish-made Dodge lorries.

Peugeot-Citroen, which became a subsidiary of PSA Peugeot-Citroen under last year's takeover, has informed Dodge's parent, Chrysler, that it has taken a 75 per cent interest in Peugeot-Citroen's heavy vehicle division. The deal, which was previously held by private interests, financial details were not given.

Peugeot-Citroen representatives said the deal marked "the first demonstration" that the group, which had no heavy vehicles interests before the Chrysler Europe takeover, was genuinely intent on building up this branch. This confirms earlier statements from the Chrysler arm of the French group.

Candic imports light Dodge trucks made at Dunstable in the UK and heavier lorries from Chrysler's Veilaverde plant in Spain. Until recently, these imports have had an insignificant market share of the French market, with only 32 vehicles sold in 1977 and 69 in 1978. But in Candic, the Dodge importer for France, Peugeot-Citroen has previously held a 50 per cent interest. Financial details were not given.

Peugeot-Citroen representatives said the deal marked "the first demonstration" that the group, which had no heavy vehicles interests before the Chrysler Europe takeover, was genuinely intent on building up

New buyer appears in Ansett battle

By James Forth in Sydney

THE STRUGGLE for control of Ansett Transport Industries took a further twist yesterday when a new party appeared to join the sharemarket contest.

About 6.3m Ansett shares, or 8 per cent of the capital, were traded on national stock exchanges yesterday, including a special parcel of just over 1m shares at A\$1.30.

This price is well above the A\$1.66 at which the majority of shares were transferred in trading on the exchange floors. Ampol Petroleum, which jumped into the arena this week, was buying through its shareholder, J. E. Were, but appeared to obtain less than 700,000 shares. The major shareholder, Thomas Nationwide Transport, which holds 15 per cent of the capital, and has expressed a desire to increase its stake, was not a buyer.

Bell Group, which revealed on Monday that it had doubled its interest to 10 per cent after a day of aggressive buying, also appeared to stay out of the market, despite suggestions by the company that it wished to build up to a 20 per cent holding.

The Melbourne sharebroker, Putter Partners, booked the 4m sale, which apparently represented some of the major institutional holdings.

Putter also joined Were on the trading floor as a major buyer and was reportedly buying for interests "freely" to the Ansett board and its founder and chief executive, the 70-year-old Sir Reginald Ansett. About 6 per cent of the capital went to the Ansett camp. The holding of Ampol has the market guessing. It has picked up no more than 5 per cent on the market, but is known to have also bought off the market.

More than 40 per cent of Ansett's capital now appears to have been accounted for, indicating that the contest is nearing a climax. The current price values Ansett at more than A\$120m (US\$135m); it seems likely that the aim is a change of control rather than a full takeover bid by any of the parties.

SETBACKS AT JAPANESE BREWERIES

Fears of further decline

BY YOKO SHIBATA IN TOKYO

SAPPORO BREWERIES and Asahi Breweries, Japan's second and third largest breweries, reported earnings setbacks for the first six months, ended last June, and expect a further steep slide in earnings for the full year.

Sapporo's interim operating profit fell by 19 per cent to ¥2,330bn (\$11.04m) and the interim net profit slipped back by 8.8 per cent to ¥1,300bn, or interim sales of ¥115.83bn (\$535m), up 5.6 per cent over the same period of 1978.

Asahi also suffered a sizeable setback with interim operating profit dropping by 36 per cent to ¥1,580bn (\$7.32m), and interim net profit declining by 35.3 per cent to ¥802m, on sales of ¥58.09bn (\$407m), up by only 0.7 per cent.

Both breweries blamed the poor earning performance on lacklustre sales. Beer sales for the total industry reached a plateau last year, up by only 7 per cent over 1977, and those in the first half of this year edged down by 2 per cent over the same period in the previous year. Apart from poor sales, cost rises on domestic and imported barley and heavy oil eroded profitability considerably.

In particular, the breweries blamed expensive domestic barley which cost 3.7 times as much as imported barley. Japanese breweries are forced to purchase domestic barley, which accounted for 20 to 25 per cent of the total barley consumption, because the Government has directed farmers to switch to wheat and barley production from rice which is in heavy surplus.

The brewery industry appealed to the Government last month on the ground that further purchases of domestic barley would squeeze earnings substantially. The brewery industry has to bear ¥8.8bn more than for the previous year if the industry purchases 151,600 tons of domestic barley for fiscal 1979 as requested by the Government, according to the industry's estimates.

As a compensation for the first-half sales decline, sales were expected to rise in the current half. However, beer sales in July, regarded as the peak sales period, declined by 2 per cent from last year's level, because of a prolonged rainy season. As a result, both Sapporo and Asahi see difficulties in attaining their earlier sales increase targets of 5 per cent and 3 per cent respectively.

Sapporo's sales are now forecast at ¥254bn for the year, up 4 per cent, operating profits at ¥5.6bn, down 21 per cent, and net profits at ¥3.4bn, down 3 per cent over fiscal 1978. Asahi now sees its sales at ¥185bn, up 1 per cent, operating profits at ¥3.3bn, down 37 per cent and net profits at ¥1.65bn, down 37 per cent.

Growth for Sappi and Premier Paper

By Jim Jones in Johannesburg

THE DISAPPOINTING interim results presented by Carlton Paper two days ago, have been followed by more encouraging results from two other paper producers, Sappi and Premier Paper.

For the six months to June 30, Sappi, South Africa's largest pulp and paper manufacturer, has announced a 17.8 per cent turnover improvement from R99.7m to R117.5m (\$139.5m) and a 35.5 per cent operating profit rise from R11.4m to R15.5m (\$18.4m).

Sappi's results are not strictly comparable with those a year ago, as with effect from June 1, it acquired Stanger Pulp and Paper from Reed International, and Stanger's results were consolidated for that month.

According to Mr. Ted Pavitt, the chairman, Stanger's performance since acquisition, has been satisfactory and the purchase provides many opportunities for rationalisation, some of which have already been implemented.

The 39 per cent owned Carlton Paper made a lower contribution to Sappi's first half results, but helped by a lower effective overall tax rate, Sappi's first-half attributable earnings advanced by 65.1 per cent in R10.4m against R6.3m for the same previous period. In the light of trading prospects, seen as favourable, improved results, and future cash needs, the Board has decided to resume interim dividends with a payment of 10 cents on first half earnings of 36.5 cents. In 1978, on earnings per share for the year of 51.1 cents, a single, 22 cents, dividend was paid.

Premier Paper, the packaging and tissue paper manufacturer, has reported substantially improved results for its South African operations. In the year to June 30, South African turnover advanced from R15.8m to R20.2m (\$24m). The Zimbabwe-Rhodesian associate, Hunyani Pulp and Paper, which is now only 19 per cent owned has been de-consolidated and dividends from this source are now taken into account only as received. Even so, the operating profit for the year rose from R57,000 to R2.2m (\$2.61m) while earnings per share increased from 36 cents to 124 cents. A 30 cents dividend has been declared compared with 18 cents.

Dutch shipbuilder plans further restructuring

BY CHARLES SATCHELOR IN AMSTERDAM

IBC-HOLLAND, the shipbuilding group specialising in offshore structures and dredging equipment, will undergo a further restructuring in an attempt to make its dredging division profitable. Prospects for the dredging sector have worsened since the original plans were drawn up two years ago, the company said.

IBC has recommended the closure of the dredging equipment yard of IBC-Verschuive in Amsterdam and cuts at the Gusto, Stalhouw yard, which makes ship's sections at Slikkerveer, near Rotterdam. This will lead to the loss of about 700 of the company's 3,400 jobs and reduce capacity by about 20 per cent.

The company estimates that keeping the yard open would lead to a loss of F1.8m (\$9m) over the next 18 months, although the company's works council estimates the loss at only F1.8m.

IBC's problems, and those of the shipbuilding industry in general, in The Netherlands, are being studied by a shipbuilding commission on which the employers, unions and the government are represented. The employers and the government representatives have advised the Economics Minister, Mr. Gijs Van Aardenne, to shut the new construction activities of the Verschuive yard, retaining its repair capacity, and to make cuts at Gusto. A decision will probably be taken this autumn.

Slowdown at Dresdner Bank in Luxembourg

BY JONATHAN CARR IN BONN

THE LUXEMBOURG subsidiary of West Germany's second largest commercial bank, Comptoir Luxembourgeois de la Dresdner Bank, increased its assets substantially in 1978-79 (to March 31) but reduced interest margins meant earnings rose less strongly.

While the balance sheet total rose by 16 per cent to about DM 16bn (\$8.74bn), compared to an increase of 8.9 per cent in 1977-78, helped particularly by buoyant credit business, the balance sheet profit rose by just DM 500,000 to DM 72.3m in 1978-79.

Nonetheless the result compares favourably with that of the bank's main competitors and it is proposed to pay an unsecured dividend of 18 per cent to the parent. The bank's ratio of equity capital to total liabilities remains well above the 3 per cent minimum required by Luxembourg authorities.

The Zurich branch of the Comptoir bank is reported to be doing well with its balance sheet total for the first time surpassing the SwF 300m level in 1978-79.

Email makes its bid

BY OUR SYDNEY CORRESPONDENT

EMAIL HAS announced its takeover bid to absorb the outstanding shares in the electrical appliance manufacturer, Kelvinator Australia four months after it was foreshadowed. Email has satisfied the minimum price suggested by Kelvinator, but is making a share-only bid to remaining shareholders.

The company obtained a 50 per cent stake in Kelvinator in March during a battle with the rival electrical appliance group, Simpson Pope and off the share market.

Email's average price was A\$2.23 a share, but it paid A\$2.30 for a 18.5 per cent stake from Simpson Pope, which gave it the 50 per cent level, and it was this latter level which the Kelvinator board called for.

Kelvinator has since made a one-for-two scrip issue and the equivalent minimum is A\$1.53. Email intends to offer three of its shares for every two Kelvinator, which equals A\$1.62 based on Email's closing sharemarket price of A\$1.08.

The offer is conditional on Email obtaining 100 per cent of Kelvinator's capital, which will depend on the attitude of Simpson Pope, which still holds 14 per cent, and the U.S. group, White Consolidated, which has 10 per cent.

Progress at Stanbic

BY OUR JOHANNESBURG CORRESPONDENT

STANDARD BANK Investment Corporation (Stanbic) raised its first-half operations profit by 18.1 per cent to R32m (\$37.6m). This was achieved despite the adverse effects on foreign exchange earnings of South Africa's new exchange rate policy and of downward pressure on interest rates arising from the combined effects of a strong current account and weak demand for credit.

Stanbic—so offshoot of Standard Chartered of the UK—did, however, maintain interest rate margins during the six months. At the after-tax level, profits were R20.6m against R17.7m in the same period last year. On first-half earnings a share of 34.6 cents, an 11 cents interim dividend has been declared. In the nine months to December 31, 1978, on earnings a share of 51.3 cents, dividends totalling 24 cents were paid.

Mr. Ian Mackenzie, the chairman, is cautious on growth prospects, saying that results for the full year are estimated to approximate to the group's plan. He adds, however, that the return on shareholders' funds should marginally exceed the stated target of 16 per cent.

On this basis, earnings a share should exceed 70 cents for the year, and the board's intention is to declare total dividends slightly more than twice covered by profits. In Johannesburg, the shares are currently trading at 515 cents.

Raja Finance licence revoked

BY OUR SYDNEY CORRESPONDENT

BANGKOK — The Thai Government has revoked the licence granted to one of Thailand's largest finance companies to operate in the finance and securities business, the Finance Ministry said yesterday.

The Prime Minister, Kriangsak Chomanan, acting in his capacity as Finance Minister, has appointed a nine-man team to help clear assets and debts of Raja Finance Company as soon as possible.

The Finance Ministry stated that Raja Finance Company's financial problems had led, on May 11, to the takeover of the company and the appointment of a controlling committee headed by the Deputy Governor of the Bank of Thailand. AP-DJ

Increased market share for Rothmans Australia

BY OUR SYDNEY CORRESPONDENT

ROTHMANS of Pall Mall (Australia), the tobacco and wine group, raised earnings by 38 per cent in 1978-79, despite a decline in the total tobacco market. The group profit rose from A\$6.1m to a record A\$8.5m (US\$9.6m).

The directors said that the sharp increase in excise duties on tobacco products, which was imposed in August, 1978, caused the total market to decline in the 12 months to June 30, particularly in the second-half. However, Rothmans lifted its sales 26.7 per cent in value, despite vigorous competition, and volume also increased, indicating that the group made gains in the Australian cigarette market. Production was maintained at "the highest possible level".

The company would make every effort to perform at least as well in the current year, the board said.

Joint venture in merchant banking

BY GEORGIE LEE IN SINGAPORE

SINGAPORE'S Post Office Savings Bank and Banque Nationale de Paris (BNP) have formed a merchant banking joint venture here. The new bank, Banque Nationale de Paris South-east Asia, will be one-third owned by the Post Office Savings Bank and two-thirds by BNP.

It has no issued capital of S\$7.5m (US\$3.5m).

This advertisement appears as a matter of record only



Eurovias, Concesionaria Española de Autopistas, S.A.

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Allied Arab Bank Limited Banco Español de Crédito

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Bank of Tokyo and Detroit (International) Limited The Kyowa Bank, Ltd.

The Industrial Bank of Japan (Luxembourg) S.A. Mees & Hope Finance NV

The Mitsui Bank, Ltd. The Mitsubishi Bank, Ltd.

PKBanken International (Luxembourg) S.A. Privatbanken International (Denmark) S.A.

The Royal Bank of Canada International Limited The Saitama Bank, Ltd.

Société Générale de Banque S.A. The Sumitomo Bank, Ltd.

The Taiyo Kobe Bank, Ltd. Tokai Asia Limited

The Tokai Bank, Ltd. UBAF Bank Limited

UBAN-Arab Japanese Finance Limited United International Bank Limited

Yamaichi International (Nederland) NV

Agent

United International Bank Limited

July 1979

This advertisement complies with the requirements of the Council of The Stock Exchange.

U.S. \$300,000,000

of which U.S. \$100,000,000 is being issued as the Initial Tranche

Citicorp Overseas Finance Corporation Limited

(Incorporated with limited liability in the British Virgin Islands)

Guaranteed Floating Rate Notes Due 1983

Unconditionally guaranteed by



The following have agreed to subscribe or procure subscribers for the Initial Tranche of the above Notes:

Credit Suisse First Boston Limited Citicorp International Bank Limited

The Initial Tranche of Guaranteed Floating Rate Notes Due 1983, of U.S.\$100,000 each, issued at 100 per cent, has been admitted to the Official List of The Stock Exchange, subject to the issue of the Initial Tranche of Notes. Interest is payable on each Note quarterly in each year, subject to special arrangements in respect of the initial interest payments, as described in the particulars of the Notes which are available in the Extel Statistical Service and may be obtained during usual business hours on any weekday (Saturdays excepted) up to and including 23rd August, 1979 from the brokers to the issue:

Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN

9th August, 1979

Weekly net asset value on August 6, 1979

Tokyo Pacific Holdings N.V. U.S. \$67.36

Tokyo Pacific Holdings (Seaboard) N.V. U.S. \$49.08

Listed on the Amsterdam Stock Exchange

Information: Pearson, Harding & Pearson NV Herengracht 214, Amsterdam.

VONTOBEL EUROBOND INDICES

145.76 = 100%

PRICE INDEX	31.7.79	7.5.79	AVERAGE YIELD	31.7.79	7.5.79
DM Bonds	100.00	100.00	DM Bonds	7.250	7.120
FFL Bonds & Notes	98.22	98.38	FFL Bonds & Notes	8.052	8.989
U.S. & Str. Bonds	95.57	95.51	U.S. & Str. Bonds	9.700	9.696
Can. Dollar Bonds	95.48	95.47	Can. Dollar Bonds	10.208	10.219

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.

45 Cornhill, London EC3V 3PB. Tel. 01-623 6314

Index Guide as at August 2, 1979

Capital Fixed Interest Portfolio	117.16
Income Fixed Interest Portfolio	105.00

U.S. \$20,000,000

Floating Rate U.S. Dollar Negotiable Certificates of Deposit, due 11th August, 1982

Banco de la Nación Argentina



In accordance with the provisions of the Certificate, notice is hereby given that for the initial six months interest period from 9th August, 1979, to 11th February, 1980, the Certificate will carry an interest rate of 11 1/2% per annum. The relevant interest payment date will be 11th February, 1980.

Merrill Lynch International Bank Limited

Agent Bank



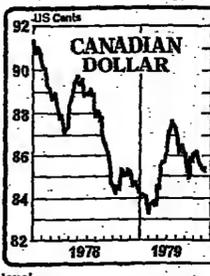
Consolidated Statement of Condition June 30, 1979. Assets: Cash and Due from Banks \$1,146,215,338. Liabilities: Demand Deposits \$1,425,546,134. Stockholder's Equity: Total \$6,304,634,044.

DIRECTORS: CHARLES M. BUSS, President and Chief Executive Officer. STANLEY G. HARRIS, JR., Chairman of the Board. ANGELO R. ARENA, President and Chief Executive Officer.

CURRENCIES, MONEY and GOLD

Pound steadies

STERLING had a slightly steadier look about it in currency markets yesterday, after its recent sharp fall, but trading was still rather erratic and volatile at times.



THE POUND SPOT AND FORWARD. Table with columns: Aug. 8, Day's spread, Close, One month, Three months. Includes rates for U.S., Canada, Netherlands, Belgium, Denmark, Ireland, W. Ger., Portugal, Spain, Italy, Norway, France, Sweden, Austria, and Switzerland.

Against the dollar the pound opened at \$2.235 and fell quite quickly to \$2.2175 as selling developed from the start. Once again the Bank of England entered the market and the pound recovered to \$2.2325 before slipping at noon to \$2.2150.

FRANKFURT—The dollar was fixed slightly firmer yesterday at DM 1.8395 against DM 1.8310 on Tuesday, and there was no intervention by the Bundesbank. Most currencies traded within a narrow range with sterling as the notable exception, and it slipped at the fixing to DM 4.0960 from DM 4.0960 previously.

THE DOLLAR SPOT AND FORWARD. Table with columns: Aug. 8, Day's spread, Close, One month, Three months. Includes rates for U.K., Ireland, Canada, Netherlands, Belgium, Denmark, Portugal, Spain, Italy, Norway, Sweden, Austria, and Switzerland.

Other currencies traded within a narrow range with sterling as the notable exception, and it slipped at the fixing to DM 4.0960 from DM 4.0960 previously.

FRANKFURT—The dollar was fixed slightly firmer yesterday at DM 1.8395 against DM 1.8310 on Tuesday, and there was no intervention by the Bundesbank.

CURRENCY RATES and CURRENCY MOVEMENTS. Tables showing exchange rates and movements for various currencies as of August 7.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates for various countries including Belgium, Denmark, Germany, France, Italy, Netherlands, Luxembourg, and Switzerland.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies including Pound Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, and Canadian Dollar.

OTHER MARKETS

Table showing other market data including Argentina, Brazil, Finland, Hong Kong, Iran, Luxembourg, Malaysia, New Zealand, Saudi Arabia, Singapore, and South Africa.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies and terms including Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, and Japanese Yen.

INTERNATIONAL MONEY MARKET

Dutch rates stable. Interest rates in the Dutch money market are likely to remain steady for the time being, at least until the beginning of the next quota period, which starts in August 15.

UK MONEY MARKET

Large assistance. Bank of England minimum leading rate 14 per cent (since June 12, 1979). The call on 12 1/2 per cent Exchequer 1989 was seen as the main factor behind a surge of credit in yesterday's money market, and the authorities gave assistance on a large scale.

GOLD

Sharp rise. Gold rose sharply in the London market yesterday, and finished 7 1/2 an ounce higher at \$291.20/1. The metal opened at \$286.25/1 and improved steadily on speculative buying with heavy demand coming from the U.S. later in the day.

MONETARY MARKET

Gold Bullion (fine ounces). Table showing gold bullion prices for various countries and terms.

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MONETARY MARKET

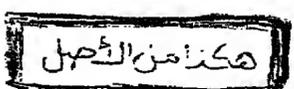
Gold Bullion (fine ounces). Table showing gold bullion prices for various countries and terms.

MONETARY MARKET

Gold Bullion (fine ounces). Table showing gold bullion prices for various countries and terms.

As of June 30, 1979, standby letters of credit amounted to \$197,959,257. Harris Trust and Savings Bank. Wholly owned subsidiary of HARRIS BANKCORP, Inc.

THE WELLMAN ENGINEERING CORPORATION LIMITED. VOTE "NO" TO THE AMERICAN PURCHASE AND ACCEPT REDMAN HEENAN'S OFFER. WELLMAN GIVES NO FURTHER JUSTIFICATION FOR THE PURCHASE. Includes a list of reasons why the offer is not in the best interests of shareholders.



WORLD STOCK MARKETS

Companies and Markets

Wall St. again strong in heavy early trade

INVESTMENT DOLLAR PREMIUM

\$2.90 to \$3.15 (26%) Effective \$2.915 - 2 1/2% (7 1/2%)

IN FURTHER heavy trading continued yesterday, Wall Street continued to gain ground over a wide front with institutions active participants.

The Dow Jones Industrial Average, after Tuesday's advance of 11.3, was 5.12 higher

Closing prices and market reports were not available for this edition.

at \$64.83 at 1 pm. The NYSE All Common Index moved ahead 28 cents further to \$60.46, while rising issues outnumbered losses by nearly a three-to-one margin.

Trading volume further increased to 32.5m shares from Tuesday's 1 pm figure of 29.3m.

Analysis said the market continues to benefit from its own performance as cash-laden institutions commit some of their growing reserves to equities.

Institutional investors were drawn into the stock market on Tuesday when it showed signs of

breaking out of the tight trading range that has held the market below its April peak of \$67 as measured by the DJ Industrials Average.

Volume leader, Gulf and Western, put on a \$17 and IBM, in second place, added 1 to \$89 1/2 dividend.

Among other active issues, Sears Roebuck gained 1 to \$191, Warner-Lambert 1 to \$241, Trans World 1 to \$211, Digital Equipment, which reported improved fourth-quarter profits on Tuesday, 1 to \$89 1/2, and Westinghouse Electric, 1 to \$211.

General Motors hardened 1 to \$89 1/2. Late the previous day it set a regular quarterly dividend of \$1.15 a share.

Computer vision climbed 1 1/2 to \$314 after announcing second quarter profit more than tripled from a year ago.

CIT Financial led 2 1/2 to \$101. Integon said CIT is considering a bid of \$35 a share for all of Integon's common stock, matching a bid by Anderson Clayton.

Trading in Integon's shares was halted before this news at \$31 1/2, as J. Anderson Clayton added 1 to \$21.

THE AMERICAN SE Market Value Index strengthened 1.17 to 200.60 at 1 pm. Volume 2.99m shares (2.79m).

Dome Petroleum topped the Amex active list and gained 2 1/2 to \$271. Domestic sales of its UK assets, which it had sold to a calculated open flow rate of 85m cubic feet of gas a day.

P and F Industries, which holds a stake in a planned Las Vegas casino, added 1 to \$22 in second place.

Markets were in firmer fettle in active early dealings yesterday, with the Toronto Composite index gaining 5.7 to 1561.6 at mid-day.

Gold rose 23.2 to 1754.6. Oils and Gas 10.5 to 2,860.3 and Metals and Minerals 7.5 to 1,316.4, while in Montreal, Banks advanced 1.99 to 319.87, and Papers 0.79 to 178.92. Utilities, however, shed 0.53 to 329.45.

George Weston, on higher earnings, rose 1 to \$234.

Germany After a firmer opening, shares generally shed further ground in the afternoon as trading became

very thin. The Commerzbank index lost 1.7 more to 755.4. Bourse sources commented that the stock market is following the downturn in the domestic bond market, which in turn is waiting for the terms of the new Federal Loan, to be announced tomorrow.

The heaviest losses were registered by Basse, Deutsche falling DM 4.50, Bayerische Hypothekbank DM 3.50, and Commerzbank DM 3. One trader at a major bank attributed the loss to a retreat to fears that credit-tightening measures might be adopted at today's scheduled meeting of the Central Bank Council of the Deutsche Bundesbank, although there were no any Press conference scheduled for after the meeting.

New measures are usually announced at such Press conferences.

BMW receded DM 2 to Motors, Siemens 1.30 in Electricals and Mannesmann DM 2.50 in Engineering.

Public Authority Bonds declined up to 50 pfennigs more, prompting further Bundesbank purchases of 15.5m nominal par value DM 7m. Mark-denominated Foreign Loans were little changed.

Hong Kong Higher from the outset on fresh overnight London buying, the market continued to rise across the board throughout the day in fairly active trading to leave the Hang Seng index 10.81 stronger at 1154.54.

Among the leaders, Jardine Matheson rose 30 cents to HK\$12.10. Swire Pacific "A" 10 cents to HK\$35.25 and Hutchison Whampoa 25 cents to HK\$35.25, but Hongkong Bank remained unchanged at HK\$150.

Properties met heavy demand and Cheung Kong added 50 cents to HK\$14.00 and Sun Hung Kai Securities 40 cents to HK\$11.40.

Profit-taking following the advance of the past few sessions left Bourse prices easier for choice yesterday after another fairly active trade.

Defence-related and large-asset shares, including Tokyo Keiki, Katakura Industry and Nishin Spinning, led the market ahead, while export-oriented Pulp, most export-oriented Paper, and large-capital companies, including Shipyard, Steels and Heavy Electricals, were also higher.

Katakura Industry rose Y55 to Y910, Nippon Oil Y20 to Y1,230, Matsushita Electric to Y49, Kanazawa Paper Y17 to Y27, Honda Motor Y13 to Y560, Sony Y20 to Y1,920 and YDK Electronic Y30 to Y1,780.

However, late profit-taking in Textiles and some Pharmaceuticals pared early gains.

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NEW YORK

Table of stock prices for various companies in New York, including ABC, AM, and various industrial and financial stocks.

STOCK

Table of stock prices for various companies, including Johnson & Johnson, Pfizer, and other pharmaceutical and industrial firms.

STOCK

Table of stock prices for various companies, including Williams Co., Woodworth, and other industrial and financial firms.

Indices

NEW YORK - DOW JONES

Table showing Dow Jones Industrial Average and other indices for New York, including S&P 500 and NYSE Composite.

STANDARD AND POORS

Table showing Standard and Poors indices for various sectors and regions, including Industrial, Financial, and International.

AMSTERDAM

Table showing Amsterdam stock market indices and prices for various companies.

Australia

Table showing Australian stock market indices and prices for various companies.

TUESDAY'S ACTIVE STOCKS

Table listing active stocks from Tuesday, including various international and domestic equities.

EUROPEAN OPTIONS EXCHANGE

Table showing European options exchange data, including call and put options for various stocks.

BASE LENDING RATES

Table showing base lending rates for various banks and financial institutions across different regions.

AMSTERDAM

Table showing Amsterdam stock market prices for various companies.

COPENHAGEN

Table showing Copenhagen stock market prices for various companies.

MILAN

Table showing Milan stock market prices for various companies.

BRUSSELS/LUXEMBOURG

Table showing Brussels/Luxembourg stock market prices for various companies.

PARIS

Table showing Paris stock market prices for various companies.

VIENNA

Table showing Vienna stock market prices for various companies.

SWITZERLAND

Table showing Swiss stock market prices for various companies.

BRAZIL

Table showing Brazilian stock market prices for various companies.

SPAIN

Table showing Spanish stock market prices for various companies.

STOCKHOLM

Table showing Stockholm stock market prices for various companies.

JOHANNESBURG

Table showing Johannesburg stock market prices for various companies.



Companies and Markets

COMMODITIES AND AGRICULTURE

Lord Peart joins Dewhurst

By Our Commodities Staff
LORD PEART, former Labour Agriculture Minister, is to join the board of J. H. Dewhurst, which runs Britain's biggest high-street butchery chain on September 1.

Extra plantings boost French maize crop

BY CHRISTOPHER PARKES
THE FROSTS which caused so much damage to autumn-sown wheat and barley crops in France, are expected to give a substantial boost to maize production.

Hunt for farm drug pedlars

By Our Commodities Staff
THE MINISTRY of Agriculture is trying to track down the "larger concerns" behind a flourishing black-market trade in veterinary drugs.

SRI LANKA Tea industry decline prompts reform bid

BY A CORRESPONDENT
SRI LANKA tea, which brings in a large proportion of the country's foreign exchange, is in the doldrums.

U.S. buying rumours lift coffee

By Our Commodities Staff
LONDON COFFEE futures prices made further gains yesterday in response to strong rumours of heavy U.S. roaster buying.

Copper price upswing continues

BY OUR COMMODITIES STAFF
TIGHTENING of nearby supplies prompted further sharp increases in copper prices on the London Metal Exchange yesterday.

EEC farm levy decision today

Financial Times Reporter
THE JOINT Management Committee of the EEC Commission will decide today whether to reintroduce British Monetary Compensatory Amounts.

Master plan for rubber

AT THE request of the Sri Lanka Government, the Commonwealth Development Corporation, with assistance from the British Ministry of Overseas Development, is to draw up a long-term development strategy for the country's rubber industry.

UK trawlermen fear quota cuts

BY RICHARD MOONEY
BRITAIN'S DISTANT water fishing fleet could face another crippling blow if recommendations by international scientists for catch cuts are accepted by the EEC Council of Ministers.

BRITISH COMMODITY MARKETS

Table with columns for Base Metals, Copper, and Zinc. Includes prices for various grades and contracts.

COCOA

Table showing cocoa prices for various origins and grades, including cocoa beans and cocoa butter.

SOYABEAN MEAL

Table showing soyabean meal prices for various origins and grades.

AMERICAN MARKETS

Table showing American market prices for various commodities including metals, oil, and grains.

INSURANCE RATE RATES

Table showing insurance rates for various types of policies.

COFFEE

Table showing coffee prices for various origins and grades.

SUGAR

Table showing sugar prices for various origins and grades.

EUROPEAN MARKETS

Table showing European market prices for various commodities.

Krugerrands? Should you buy, hold or sell? Don't make a move before hearing our latest view. Tel: John Gray or Mark King for views on 01 236 5211 or Nikolaus von Kegl on Dusseldorf 84321.

GRAINS

Table showing grain prices for various types of wheat, barley, and other grains.

MEAT/VEGETABLES

Table showing meat and vegetable prices for various types of livestock and produce.

INDICES

Table showing various financial indices and their values.

SILVER

Table showing silver prices for various grades and origins.

WOOL FUTURES

Table showing wool futures prices for various types of wool.

MOODY'S REUTERS

Table showing Moody's and Reuters news and market updates.

TRAVEL

Information regarding travel services and agencies.

PERSONAL

Information regarding personal services and products.

COTTON

Information regarding cotton market news and prices.

REUTERS

Additional Reuters news and market updates.

LONDON STOCK EXCHANGE

Markets livelier all round, index up 7.1 more to 473.7 Gilt rises to 3/4 after long tap exhaustion—Golds good

Account Dealing Dates
Option
*First Declared Last Account Dealing Days
July 16 July 26 July 27 Aug. 6
July 30 Aug. 9 Aug. 10 Aug. 20
Aug. 13 Aug. 23 Aug. 24 Sept. 3

FCI encountered early interest and a firm 7 for a two-day gain of 15 to 342p.
Stores came in for further good support which left double-figure gains in place. Gassies "A" continued firmly among the leaders, still in response to Press comment, and closed 6 higher at 420p, after 422p, while Burton "A" added a similar amount to 254p and British Home advanced 8 to 255p. Marks and Spencer improved 3 to 118p and House of Fraser 4 to 170p, after 173p. Elsewhere, investment buying prompted rises of 12 pence in MFI Furniture, 12p, and Freeman's, 16p, while Bagnall's hardened 5 to 135p and Walker and Staff improved 4 to 26p. Consideration of the deal whereby Dixons Photographic is buying the Greens chain of photographic and hi-fi shops from Debenhams for 1.7m prompted a rise of 7 to 144p in the former, and a penny to 87p in the latter. Bid houses continued to bolster Svin Shoes, up another 7 to 215p.

ment in equities. Among Financials, Hambro Trust up 4 more at 54p, continued to reflect satisfaction with the preliminary figures, but Robert Ritchie Taylor, down 7 at 173p, met profits taking after the recent speculative rise.
David Dixon featured generally firmer Textiles, rising 8 to 166p, after 168p, following the sharply higher dividend and profits. Buying in a thin market led Towler 5 to 90p, while John Foster closed a similar amount up at 43p.
Banc came in for renewed investment support, adding 8 at 291p. Elsewhere among Tobaccoes, British Arrow have offered 85p per share for Slenssen Hunter, valuing the company at around 5m; the latter's shares were suspended at 78p on June 22 pending an announcement.
Good selective demand was apparent in Plantations, gains of 10 being recorded by Guthrie, 54p, London Sumatra, 26p, and Sungei Baha, 150p. Jitra added 8 to 133p.

Ins. Brokers up again

Continuing to draw strength from the improving dollar, insurance brokers made further progress and closed with gains ranging to 8. C. E. Heath put on that much to 195p and Sedgewick Forbes rose 7 to 90p. Composites also moved higher with Royals up 7 to 342p. Ahead of Tuesday and Wednesday respectively, Commercial Union put on 4 to 148p and General Accident gained 6 to 218p.

Good day for Gols

Mining markets enjoyed one of their best days for some time with all sections moving ahead reflecting a general improvement in metal prices and the firmness of the investment currency premium.
South African Gols did particularly well as the buoyancy of the bullion price—up 57.5 more to 3291.375 an ounce—encouraged a good continental demand in the morning.
This buying dried up in the afternoon, however, but modest U.S. support enabled prices to hold the day's best. The Gold Mines index registered a further 8.1 gain at 157.3, with the premium index rising 6.4 to 145.7.
South African Financials fared equally well with Union Corporation 10 firmer at 336p and De Beers a like amount better at 350p.

LONDON TRADED OPTIONS table with columns for Option, Exch's price, Closing offer, Vol., Closing offer, Vol., Equity close

NEW HIGHS AND LOWS FOR 1979

Table with columns for NEW HIGHS (43), NEW LOWS (15), and RISES AND FALLS YESTERDAY

EUROBONDS

The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times. It will be published in an eight-page format on the following dates in the remainder of 1979:
August 13 September 10 October 15
November 12 December 10

ACTIVE STOCKS

Table with columns for Stock, Denomina-tion, Closing price, Change, 1979 High, 1979 Low

An Appeal on behalf of the MAURITIUS CHILD CARE SOCIETY

The Mauritius Child Care Society which has been set up by an Act of Parliament is proposing to establish a Children's Clinic which will be run on a voluntary basis. The object of this Clinic is to provide urgently needed help for children requiring specialised treatment. It will act as a centre for medical research and will provide facilities enabling difficult operations to be performed within Mauritius.

RECENT ISSUES

Table with columns for Issue, Price, Date, Stock, Change, Price, + or -

FIXED INTEREST STOCKS

Table with columns for Issue, Price, Date, Stock, Change, Price, + or -

"RIGHTS" OFFERS

Table with columns for Issue, Price, Date, Stock, Change, Price, + or -

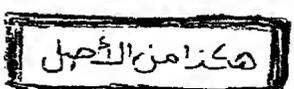
FT-ACTUARIES SHARE INDICES

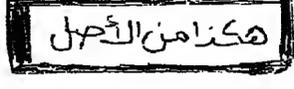
Table with columns for EQUITY GROUPS & SUB-SECTIONS, FIXED INTEREST YIELDS, and various index values

LEADERS AND LAGGARDS

Table with columns for Sector, Change, and Index values

Renunciation date usually last day for dealing free of stamp duty. Figures based on prospectus estimates. a Assumed dividend and yield. b Forecast dividend cover based on previous year's earnings. c Dividend and yield b. c. on prospectus or other official sources for 1979. d Gross. e Figures assumed. f Cover allows for conversion of shares not now ranking for dividends or other restricted dividends. g Pensions on to holding. h Pence unless otherwise indicated. i Issued by way of capitalisation. j Reintroduced. k Issued in connection with reorganisation, merger or takeover. l Issued to former preference holders. m Allocated letters for fully-paid. n Provisions of partly-paid allotment letters. o With warrants. p Unlisted security. q Issued as units comprising 2 Income shares and 10 Capital shares at 125p per unit.





AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trst. Mgrs., Abney Unit Trst. Mgrs., and others, including their managers and performance data.

Table listing various insurance and property bonds, including Abney Life Assurance Co. Ltd., Abbey Life Assurance Co. Ltd., and others.

Table listing various insurance and property bonds, including Abney Life Assurance Co. Ltd., Abbey Life Assurance Co. Ltd., and others.

OFFSHORE AND OVERSEAS FUNDS

Table listing various offshore and overseas funds, including Alexander Fund, Allen Harvey & Ross Inv. Mgt., and others.

NOTES: This section contains important information regarding the unit trusts, including details on how to obtain prospectuses and the role of the Financial Times.

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NOTES: This section contains important information regarding the offshore and overseas funds, including details on how to obtain prospectuses and the role of the Financial Times.

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Factories, Warehouses,
Offices, Sites...
now in
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FT SHARE INFORMATION SERVICE

BRITISH FUNDS

Shorts (Lives up to Five Years)

1979	High	Low	Stock	Price	+/-	Yield
98.1	98.1	98.1	Electric 3 1/2	100.0	0.0	12.37
98.2	98.2	98.2	Electric 4 1/2	100.0	0.0	12.37
98.3	98.3	98.3	Electric 5 1/2	100.0	0.0	12.37
98.4	98.4	98.4	Electric 6 1/2	100.0	0.0	12.37
98.5	98.5	98.5	Electric 7 1/2	100.0	0.0	12.37
98.6	98.6	98.6	Electric 8 1/2	100.0	0.0	12.37
98.7	98.7	98.7	Electric 9 1/2	100.0	0.0	12.37
98.8	98.8	98.8	Electric 10 1/2	100.0	0.0	12.37
98.9	98.9	98.9	Electric 11 1/2	100.0	0.0	12.37
99.0	99.0	99.0	Electric 12 1/2	100.0	0.0	12.37

Five to Fifteen Years

1979	High	Low	Stock	Price	+/-	Yield
100.0	100.0	100.0	Electric 12 1/2	100.0	0.0	12.37
100.1	100.1	100.1	Electric 13 1/2	100.0	0.0	12.37
100.2	100.2	100.2	Electric 14 1/2	100.0	0.0	12.37
100.3	100.3	100.3	Electric 15 1/2	100.0	0.0	12.37
100.4	100.4	100.4	Electric 16 1/2	100.0	0.0	12.37
100.5	100.5	100.5	Electric 17 1/2	100.0	0.0	12.37
100.6	100.6	100.6	Electric 18 1/2	100.0	0.0	12.37
100.7	100.7	100.7	Electric 19 1/2	100.0	0.0	12.37
100.8	100.8	100.8	Electric 20 1/2	100.0	0.0	12.37
100.9	100.9	100.9	Electric 21 1/2	100.0	0.0	12.37
101.0	101.0	101.0	Electric 22 1/2	100.0	0.0	12.37

Over Fifteen Years

1979	High	Low	Stock	Price	+/-	Yield
101.1	101.1	101.1	Electric 23 1/2	100.0	0.0	12.37
101.2	101.2	101.2	Electric 24 1/2	100.0	0.0	12.37
101.3	101.3	101.3	Electric 25 1/2	100.0	0.0	12.37
101.4	101.4	101.4	Electric 26 1/2	100.0	0.0	12.37
101.5	101.5	101.5	Electric 27 1/2	100.0	0.0	12.37
101.6	101.6	101.6	Electric 28 1/2	100.0	0.0	12.37
101.7	101.7	101.7	Electric 29 1/2	100.0	0.0	12.37
101.8	101.8	101.8	Electric 30 1/2	100.0	0.0	12.37
101.9	101.9	101.9	Electric 31 1/2	100.0	0.0	12.37
102.0	102.0	102.0	Electric 32 1/2	100.0	0.0	12.37

Undated

1979	High	Low	Stock	Price	+/-	Yield
36	36	36	Electric 33 1/2	100.0	0.0	12.37
37	37	37	Electric 34 1/2	100.0	0.0	12.37
38	38	38	Electric 35 1/2	100.0	0.0	12.37
39	39	39	Electric 36 1/2	100.0	0.0	12.37
40	40	40	Electric 37 1/2	100.0	0.0	12.37

FOREIGN BONDS & RAILS

1979	High	Low	Stock	Price	+/-	Yield
35	35	35	Antarctica Ry...	100.0	0.0	13.10
36	36	36	Chilean Mixed	100.0	0.0	13.10
37	37	37	Chilean Mixed	100.0	0.0	13.10
38	38	38	Chilean Mixed	100.0	0.0	13.10
39	39	39	Chilean Mixed	100.0	0.0	13.10
40	40	40	Chilean Mixed	100.0	0.0	13.10

BANKS & HP—Continued

1979	High	Low	Stock	Price	+/-	Yield
19	19	19	Goode (M) 30	100.0	0.0	13.10
20	20	20	Goode (M) 30	100.0	0.0	13.10
21	21	21	Goode (M) 30	100.0	0.0	13.10
22	22	22	Goode (M) 30	100.0	0.0	13.10
23	23	23	Goode (M) 30	100.0	0.0	13.10

CHEMICALS, PLASTICS—Cont.

1979	High	Low	Stock	Price	+/-	Yield
17	17	17	Cory (Horse) 10	100.0	0.0	13.10
18	18	18	Cory (Horse) 10	100.0	0.0	13.10
19	19	19	Cory (Horse) 10	100.0	0.0	13.10
20	20	20	Cory (Horse) 10	100.0	0.0	13.10
21	21	21	Cory (Horse) 10	100.0	0.0	13.10

ENGINEERING—Continued

1979	High	Low	Stock	Price	+/-	Yield
17	17	17	Allen (E) 10	100.0	0.0	13.10
18	18	18	Allen (E) 10	100.0	0.0	13.10
19	19	19	Allen (E) 10	100.0	0.0	13.10
20	20	20	Allen (E) 10	100.0	0.0	13.10
21	21	21	Allen (E) 10	100.0	0.0	13.10

AMERICANS

1979	High	Low	Stock	Price	+/-	Yield
11	11	11	ASA (M) 30	100.0	0.0	13.10
12	12	12	ASA (M) 30	100.0	0.0	13.10
13	13	13	ASA (M) 30	100.0	0.0	13.10
14	14	14	ASA (M) 30	100.0	0.0	13.10
15	15	15	ASA (M) 30	100.0	0.0	13.10

HIRE PURCHASE, ETC.

1979	High	Low	Stock	Price	+/-	Yield
35	35	35	Goode (M) 30	100.0	0.0	13.10
36	36	36	Goode (M) 30	100.0	0.0	13.10
37	37	37	Goode (M) 30	100.0	0.0	13.10
38	38	38	Goode (M) 30	100.0	0.0	13.10
39	39	39	Goode (M) 30	100.0	0.0	13.10

DRAPERY AND STORES

1979	High	Low	Stock	Price	+/-	Yield
40	40	40	Amber Day 10	100.0	0.0	13.10
41	41	41	Amber Day 10	100.0	0.0	13.10
42	42	42	Amber Day 10	100.0	0.0	13.10
43	43	43	Amber Day 10	100.0	0.0	13.10
44	44	44	Amber Day 10	100.0	0.0	13.10

BEERS, WINES AND SPIRITS

1979	High	Low	Stock	Price	+/-	Yield
88	88	88	Allied Brews	100.0	0.0	13.10
89	89	89	Allied Brews	100.0	0.0	13.10
90	90	90	Allied Brews	100.0	0.0	13.10
91	91	91	Allied Brews	100.0	0.0	13.10
92	92	92	Allied Brews	100.0	0.0	13.10

BUILDING INDUSTRY, TIMBER AND ROADS

1979	High	Low	Stock	Price	+/-	Yield
118	118	118	Allied Plan 10	100.0	0.0	13.10
119	119	119	Allied Plan 10	100.0	0.0	13.10
120	120	120	Allied Plan 10	100.0	0.0	13.10
121	121	121	Allied Plan 10	100.0	0.0	13.10
122	122	122	Allied Plan 10	100.0	0.0	13.10

CANADIANS

1979	High	Low	Stock	Price	+/-	Yield
165	165	165	Bank of Montreal	100.0	0.0	13.10
166	166	166	Bank of Montreal	100.0	0.0	13.10
167	167	167	Bank of Montreal	100.0	0.0	13.10
168	168	168	Bank of Montreal	100.0	0.0	13.10
169	169	169	Bank of Montreal	100.0	0.0	13.10

S.A.E. LIST AND HIRE PURCHASE

1979	High	Low	Stock	Price	+/-	Yield
288	288	288	ANZ SAI	100.0	0.0	13.10
289	289	289	ANZ SAI	100.0	0.0	13.10
290	290	290	ANZ SAI	100.0	0.0	13.10
291	291	291	ANZ SAI	100.0	0.0	13.10
292	292	292	ANZ SAI	100.0	0.0	13.10

ELECTRICALS

1979	High	Low	Stock	Price	+/-	Yield
152	152	152	A.B. Electronic	100.0	0.0	13.10
153	153	153	A.B. Electronic	100.0	0.0	13.10
154	154	154	A.B. Electronic	100.0	0.0	13.10
155	155	155	A.B. Electronic	100.0	0.0	13.10
156	156	156	A.B. Electronic	100.0	0.0	13.10

INTERNATIONAL BANK

1979	High	Low	Stock	Price	+/-	Yield
85	85	85	Bank of Montreal	100.0	0.0	13.10
86	86	86	Bank of Montreal	100.0	0.0	13.10
87	87	87	Bank of Montreal	100.0	0.0	13.10
88	88	88	Bank of Montreal	100.0	0.0	13.10
89	89	89	Bank of Montreal	100.0	0.0	13.10

COMMONWEALTH & AFRICAN LOANS

1979	High	Low	Stock	Price	+/-	Yield
81	81	81	Bank of Montreal	100.0	0.0	13.10
82	82	82	Bank of Montreal	100.0	0.0	13.10
83	83	83	Bank of Montreal	100.0	0.0	13.10
84	84	84	Bank of Montreal	100.0	0.0	13.10
85	85	85	Bank of Montreal	100.0	0.0	13.10

LOANS

1979	High	Low	Stock	Price	+/-	Yield
81	81	81	Bank of Montreal	100.0	0.0	13.10
82	82	82	Bank of Montreal	100.0	0.0	13.10
83	83	83	Bank of Montreal	100.0	0.0	13.10
84	84	84	Bank of Montreal	100.0	0.0	13.10
85	85	85	Bank of Montreal	100.0	0.0	13.10

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HOTELS AND CATERERS

1979	High	Low	Stock	Price	+/-	Yield
111	111	111	Hotel 10	100.0	0.0	13.10
112						

INDUSTRIALS—Continued

Table of industrial stocks including companies like Anglo-Continental, Anglo-Continental, Anglo-Continental, etc. with columns for stock price, change, and volume.

INSURANCE—Continued

Table of insurance stocks including companies like Anglo-Continental, Anglo-Continental, Anglo-Continental, etc. with columns for stock price, change, and volume.

PROPERTY—Continued

Table of property stocks including companies like Anglo-Continental, Anglo-Continental, Anglo-Continental, etc. with columns for stock price, change, and volume.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like Anglo-Continental, Anglo-Continental, Anglo-Continental, etc. with columns for stock price, change, and volume.

FINANCE, LAND—Continued

Table of finance and land stocks including companies like Anglo-Continental, Anglo-Continental, Anglo-Continental, etc. with columns for stock price, change, and volume.

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MINES—Continued AUSTRALIAN

Table of Australian mines stocks including companies like Anglo-Continental, Anglo-Continental, Anglo-Continental, etc. with columns for stock price, change, and volume.

TINS

Table of tins stocks including companies like Anglo-Continental, Anglo-Continental, Anglo-Continental, etc. with columns for stock price, change, and volume.

COPPER

Table of copper stocks including companies like Anglo-Continental, Anglo-Continental, Anglo-Continental, etc. with columns for stock price, change, and volume.

MISCELLANEOUS

Table of miscellaneous stocks including companies like Anglo-Continental, Anglo-Continental, Anglo-Continental, etc. with columns for stock price, change, and volume.

GOLDS EX-\$ PREMIUM

Table of gold stocks including companies like Anglo-Continental, Anglo-Continental, Anglo-Continental, etc. with columns for stock price, change, and volume.

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominated in 25p. Estimated price-earnings ratios and other figures are based on the latest available information. Dividends are shown in pence unless otherwise stated. Dividends are shown in pence unless otherwise stated.

REGIONAL MARKETS

Table of regional markets including companies like Anglo-Continental, Anglo-Continental, Anglo-Continental, etc. with columns for stock price, change, and volume.

OPTIONS 3-month Call Rates

Table of options and call rates including companies like Anglo-Continental, Anglo-Continental, Anglo-Continental, etc. with columns for stock price, change, and volume.

INSURANCE

Table of insurance stocks including companies like Anglo-Continental, Anglo-Continental, Anglo-Continental, etc. with columns for stock price, change, and volume.

PROPERTY

Table of property stocks including companies like Anglo-Continental, Anglo-Continental, Anglo-Continental, etc. with columns for stock price, change, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like Anglo-Continental, Anglo-Continental, Anglo-Continental, etc. with columns for stock price, change, and volume.

FINANCE, LAND, etc.

Table of finance, land, and other stocks including companies like Anglo-Continental, Anglo-Continental, Anglo-Continental, etc. with columns for stock price, change, and volume.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo-Continental, Anglo-Continental, Anglo-Continental, etc. with columns for stock price, change, and volume.

CENTRAL AFRICAN

Table of central african stocks including companies like Anglo-Continental, Anglo-Continental, Anglo-Continental, etc. with columns for stock price, change, and volume.



TUC predicts industry crisis

BY CHRISTIAN TYLER, LABOUR EDITOR

THE TUC yesterday predicted that a financial crisis would overtake private industry this winter, bankrupting companies with large investment programmes or with other pressures on cash flow.

problems to be driven to the wall and serious trouble from some larger firms locked into big investment programmes.

remain a prime yardstick for trade union negotiators. Last night the Confederation of British Industry said the TUC's forecast of company bankruptcies "underlines once again the need for moderation in the coming pay round."

invitation to send him a paper on extending TUC consultation over the public expenditure survey.

Star goes on after warning

By John Lloyd

THE Daily Star, the eight-month-old tabloid published by Express Newspapers, is to continue to print after a warning from the Express management that it would be closed if distribution workers refused to handle it in the South of England.

Members of the London Central branch of the Society of Graphical and Allied Trades (SOGAT), who had agreed to handle the paper until August 15, said yesterday that they would continue to distribute it until September 23.

The branch decision followed a statement late on Tuesday night by Mr. Jocelyn Stevens, managing director of Express Newspapers, who said that without SOGAT agreement, "we could be within three days of the Star dying."

The main stumbling block centres on the lack of an agreement to print the Star in London.

Members of the Daily Express machine minders' chapel of the National Graphical Association (NGA) have asked for an extra £50 a week and more staff to handle the Star. The Express management says that that would add up to £1m in London printing costs.

Mr. Stevens said that "we have been negotiating intensively with the NGA for six months. It is absolutely crucial we come down South."

London printing would initially provide 100,000 copies, and more subsequently.

The Daily Star sells 950,000 copies daily, having sold more than 1m in the year.

He said that the Express had spent £1m on new equipment for the Star and that agreement to print in London had been reached with every chapel other than the machine minders'.

Congress asked to ban private health insurance

BY CHRISTIAN TYLER, LABOUR EDITOR

THE Trades Union Congress will be asked next month to forbid unions to negotiate private medical insurance deals and to expel those who do.

The EPTU will not be mentioned by name in an amendment that COHSE is drawing up to its own already-published motion. It will only ask that "disciplinary action" is considered but there is little short of suspension or expulsion that the TUC can do.

insurance deal since the oews leaked out ten days ago. Yesterday it repeated its argument that the Government's failure properly to finance the National Health Service entitled the union to do the best it could for its members.

Both sides in ITV dispute agree to arbitration talks

BY GARETH GRIFFITHS, LABOUR STAFF

BOTH SIDES in the three-week dispute affecting independent television are to meet in advisory, conciliation and arbitration service today in separate preliminary meetings.

Shop stewards from both the ACTT and the EPTU held meetings yesterday to discuss tactics. The members of NATTKE were told by Jack Wilson, their general secretary, to remain working normally.

It is understood that the ACTT shop stewards' meeting expressed a strong reaction against the ITC's suspension policy. The meeting was expected to endorse the members' rejection of a pay offer worth 15 per cent, plus 2 or 3 per cent cost-of-living.

Turks face external debts, IMF told

BY METIN MUNIR IN ANKARA

TURKEY faces severe difficulties in servicing its external debts, in spite of recent assurances of aid from foreign Governments and banks.

The IMF experts say Mr. Bulent Ecevit's Government has made "a substantial effort" to tackle Turkey's economic problems through its emphasis on increasing exports, which are expected to rise by 20 per cent this year.

"But further action will be essential. The past 12 months have made the price of delay very plain."

The rate of inflation would remain high throughout 1979, the report added. The wholesale price index was likely to advance, on average, by 60 per cent from 1978 to 1979 and by the end of the year could be even higher.

Statfjord Field

Statfjord, Norway's state oil company, said estimates of reserves were continually revised, as new wells disclosed more about the field's structure.

British Gas Corporation, Texas Eastern and Amerada Hess, expects to spend more than \$1bn on the development.

The field lies in block 9/13, to the east of the Orkney Islands, and immediately adjacent to the Mobil group's Beryl Field.

Manufacturing problem had now been cleared up. The fault is believed to have been caused by a faulty electrical system which led to the uneven cooling of the heat-treated panels, and set up thermal stresses in the metal.

The Mobil group with interests in the North Beryl discovery is expected to seek formal Department of Energy approval to develop the field within the next few weeks.

Oil will be transported by pipeline from this structure to Beryl where it will be stored before being loaded into tankers.

It was not until July 16, however, that the FAA issued its alert to the U.S. aircraft industry. Reynolds said yesterday that the company, which did not come under any FAA jurisdiction, did not feel obliged to inform the agency directly.

Do-it-yourself motoring co-op BRITAIN'S FIRST do-it-yourself motorists co-operative opened in Milton Keynes, Buckinghamshire, yesterday.

Sasse losses reach £20m

BY JOHN MOORE

A FULL AUDIT of the stricken Lloyd's of London underwriting syndicate—formerly managed by Mr. Frederick Sasse, has revealed that losses are now running at £20m compared with the £13.6m previously estimated.

Those members of the 110-strong syndicate who have underwritten a standard share of the premium involved of £40,000 could have to pay up to £22,000 each.

The Lloyd's committee is reportedly considering a possible arrangement with the Lloyd's market that will accept risk of any deterioration in the current figures.

The members of the syndicate discussed the new position yesterday afternoon at Lloyd's at a meeting organised by the manager of the syndicate, Mr. Stephen Merrett of Merrett Dixey Syndicates.

In March this year the members had been told by Mr. Merrett, who was brought in to help manage the syndicate when its problems materialised that they faced losses of £13.6m on three areas of insurance business: £8m from insurances on 1,300 fire and damage to property risks in the U.S., £2.6m on Canadian fire risk business; and £3m on computer leasing business.

The full audit has shown that there are additional losses on mainly liability insurances arranged for the entertainment and leisure industry, such as fair grounds and holiday camp operators.

Lloyd's has already arranged about £7m of aid to help the syndicate through a loan facility with the National Westminster Bank and other assistance.

Lloyd's said yesterday that the committee auditors, Baker Sutton, the auditors, felt that unqualified audit certificates could not be issued for the syndicate and three other syndicates formerly under the management of Mr. Sasse (numbers 759, 562 and 891).

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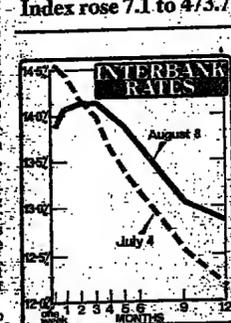
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The bulls snap up the long tap

Index rose 7.1 to 473.7

The tug of war in the gilt-edged market yesterday swung strongly in the direction of the bulls. Whereas last week the bears had their way, as hopes declined of an early cut in interest rates and sterling started to fall from a peak this week the buyers have come back.



So far there is little sign that its performance is going to improve much in 1979. First half profits are a mere 2 per cent higher at £2.6m. The transport strike at the start of the year cost the group nearly £0.5m but the real reason for the dull performance was sluggish demand and fierce competition in most of its traditional markets.

As would be expected sharply higher interest rates have badly hit its traditional instalment credit business, around three quarters of which is fixed rate.

The end result was that group pre-tax profits rose from £17.0m to £20.1m in 1978-79. Admittedly the previous year's figures were depressed by £5.5m of special provisions for losses in South Africa and Australia.

The first priority is to strengthen its capital base which means that shareholders will have a long wait for any reward in the absence of a takeover.

Glynwed makes everything from gas cookers to bath tubs and its recent performance reflects fairly accurately the depressed conditions facing many companies operating in the heartland of British industry.

But, some of this is going to weigh very heavily with Beryl shareholders, except those who are strongly committed to the company's independence.

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